

APRIL 01, 2024

The employment week is approaching

Following the publication of February inflation data in line with expectations, the week closed slightly positive for stocks. Thus, they closed a great quarter, in which the global MSCI ACWI stock index rose by 8.3%, the highest increase since 2019. Federal Reserve Chairman Powell stated that, despite stagnation, inflation was in line with projections, supporting the possibility of three rate cuts this year. This week, attention will be focused on employment data. In Japan, the yen fell to its lowest level in 34 years despite the increase in interest rates. In Europe, inflation slowed more than expected in France and Italy, and a similar trend is anticipated in the Eurozone this week.

Key week for employment. This week, employment data will be released in the U.S., with expectations of few changes from February. A slight moderation in wage increases is forecast for March, to 4.1% year-on-year from the previous 4.3%. Despite this deceleration, wage increases remain high compared to the 2% inflation target. Nearly 200,000 jobs are expected to be created in March, down from the 275,000 in the previous month. The unemployment rate is expected to remain steady at 3.9%, although some analysts warn of an acceleration in certain states. While some suggest this could be due to an incipient recession, others attribute it to an increase in immigration.

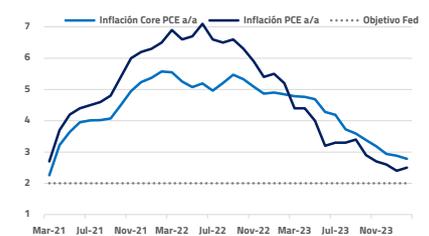
The yen continues to weaken. Following the Bank of Japan's (BOJ) decision to raise its reference rate, a strengthening of the yen was expected. However, it continued to weaken to nearly ¥152 per dollar, its lowest level in 34 years, sparking speculation about BOJ intervention to halt this trend. Despite the rate hikes, the yen has lost 7% against the dollar so far this year. The discrepancy in monetary policies between the United States and Japan should strengthen the yen. However, yields on 10-year U.S. Treasury bonds are 350 basis points above those in Japan, which does not contribute to yen strength.

Inflation deceleration in Europe. Preliminary inflation data for March in the European Union will be released this week. Analysts expect a slowdown compared to February. General inflation of 2.5% is expected, down from 2.6% the previous month, and core inflation (excluding energy and food) is expected to grow by 3% year-on-year compared to 3.1% in February. This week's publication of encouraging inflation data in Italy and France (2.3% year-on-year in March compared to 3.2% in February) provides more confidence in the forecasts. This increases the possibility of a rate cut in April

	Weekly Close	Last Week	Year to Date
S&P 500	5.254	0,4	10,6
Dow Jones	39.807	0,8	6,1
NASDAQ	16.379	(0,3)	9,3
Stoxx 600	513	0,6	7,0
Shanghai	3.537	(0,2)	3,1
Bovespa	128.106	0,8	(4,5)
Merval	1.112	(0,7)	15,6
Brent	87,5	2,4	13,6
Gold	2.229,9	3,0	8,1
EUR/USD	1,08	(0,2)	(2,3)
DXY	104,5	0,1	3,1
2Y Treas.	4,62	3	19
10Y Treas.	4,20	0	33
30Y Treas.	4,34	(4)	38

The inflation rate halted its decline

Core and underlying PCE inflation year-on-year (%)



Source: Bureau of statistics

The yen at its lowest level in 34 years

Yen vs. U.S. dollar exchange rate



Source: Bloomberg

Fluctuations expressed in USD – Total Returns

Name	Price	5D	1M	3M	YTD	1 year	Máx 52w	Min 52s	Var Max 52w	Var Min 52w
Equity										
S&P 500	5.254	0,4	2,4	10,6	10,6	29,9	5.254	4.051		29,7
Nasdaq 100	16.379	(0,3)	0,7	9,3	9,1	34,0	16.429	11.799	(0,3)	38,8
DJIA	39.807	0,8	2,0	6,1	6,1	22,2	39.807	32.418		22,8
Russell 2000	11.373	2,6	2,5	5,2	5,2	19,7	11.373	8.700		30,7
MSCI ACWI	420	0,4	2,4	8,2	8,2	23,2	420	335		25,3
MSCI ACWI EX US	304	0,3	2,4	4,7	4,7	13,3	304	253	(0,1)	20,2
MSCI EM	546	0,5	2,1	2,4	2,4	8,2	549	473	(0,4)	15,4
Argentina: Merval (CCL)	1.112	(0,7)	13,9	15,6	15,6	75,3	1.121	634	(0,8)	75,3
MSCI Brazil	586	0,8	(2,3)	(7,4)	(7,4)	27,0	637	458	(7,9)	28,1
MSCI México	57.369	1,3	3,3	0,1	0,1	10,2	58.712	48.198	(2,3)	19,0
MSCI ASIA	631	0,5	2,6	3,4	3,4	6,3	635	547	(0,7)	15,4
MSCI ASIA EX JAPAN	529	0,3	2,2	2,4	2,4	4,0	534	464	(1,0)	13,9
MSCI CHINA	3.537	(0,1)	(0,4)	1,4	1,4	(14,8)	4.162	3.180	(15,0)	11,3
S&P BSE Sensex	883	1,2	(0,7)	1,9	1,9	24,6	889	695	(0,6)	27,1
Stoxx 600	513	0,5	3,2	5,4	5,4	15,0	513	430		19,3
Fixed Income										
US										
US Bloomberg Agg	2.145	0,2	0,5	(0,8)	(0,8)	1,7	2.169	1.978	(1,1)	8,4
US High Yield	2.517	0,1	1,0	1,5	1,5	11,2	2.517	2.245		12,1
Global Agg	462	0,2	0,4	(2,1)	(2,1)	0,5	473	429	(2,4)	7,6
Global High Yield	433	0,1	0,8	1,4	1,4	11,0	433	388	(0,1)	11,6
U.S. Treasury Bonds										
Tasa FED	5,33					50	5,33	4,83		50
2 años	4,62	3	9	37	(44)	59	5,22	3,78	(60)	84
5 Años	4,21	3	46	77	(0)	105	4,96	3,30	(74)	91
10 Años	4,20	0	44	74	5	115	4,99	3,31	(79)	90
30 Años	4,34	(4)	29	59	(8)	97	5,11	3,55	(77)	79
Currencies & Commodities										
Euro (USD/EUR)	1,08	(0,2)	(0,4)	(2,3)	(2,3)	(0,5)	1,12	1,05	(4,0)	3,1
Yen (JPY/USD)	151,35	0,0	(0,8)	(6,8)	(6,8)	(12,2)	151,72	131,32	(0,2)	15,3
Real (BRL/USD)	5,01	(0,3)	(1,2)	(3,1)	(3,1)	1,0	5,17	4,73	(3,0)	6,1
Peso Uruguayo (UYU/USD)	37,55	0,7	3,6	3,5	3,5	3,0	40,06	37,38	(6,3)	0,5
Peso Argentino (ARS/USD)	1.083,27	2,1	1,2	(11,0)	(11,0)	(62,5)	1.335,70	396,88	(18,9)	172,9
Oro	2.229,9	3,0	7,1	8,1	8,1	13,2	2.229,9	1.820,3		22,5
Oil	87,48	2,4	4,7	13,6	13,6	9,7	96,55	71,84	(9,4)	21,8
Gas	1,76	6,3	(3,9)	(29,9)	(29,9)	(20,4)	3,58	1,58	(50,7)	11,9

Source: Bloomberg y Latin Securities

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