

Weekly Activest

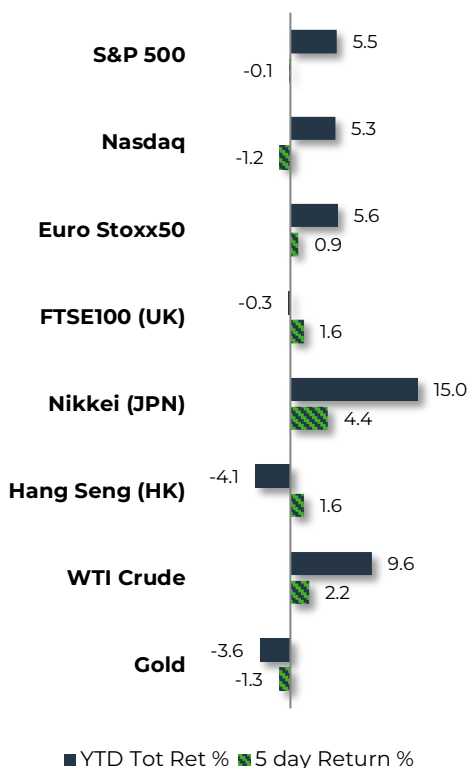
Week from the 12th to the 16th of February



Activest Wealth Management, 20900 NE 210th St, Aventura, FL 33180, United States

United States

Monitor



Note: Indicative returns recorded as of 10:00 ET today.

- January inflation advanced 0.3% in the month, reaching an annual rate of 3.1% (vs. 2.9% expected). Meanwhile, excluding food and energy (core) inflation accelerated 0.4% and reached an annual rate of 3.9% (vs. 3.7% expected), where shelter costs rebounded.
 - As for retail sales, they fell 0.8% monthly in January and turned out to be weaker than expected.
- A poll by the National Association for Business Economics showed that 21% of respondents felt that the FED's current monetary policy stance is "too restrictive." This proportion has not been observed since 2011.
 - Another survey conducted by Bank of America indicated that global managers increased their equity positioning to a two-year high, while lowering their cash exposure and dismissing their view of a recession for the first time since April 2022.
- In the final stretch of the 4Q23 quarterly reporting season, with a 72% advance, 78% have outperformed in earnings, while 52% have outperformed in sales.
 - In this sense, profits are up 5% year over year (YoY), and sales are up 4% YoY.

Europe

- It was confirmed that the region's GDP remained stable in the fourth quarter of last year, and posted a slight increase of 0.1% compared to 2022.
- In the United Kingdom, January inflation remained at an annual rate of 4%, better than the consensus expectation of 4.2%.
 - On the other hand, it was announced that the economy entered a technical recession during the second half of 2023, after contracting quarterly by 0.3% and 0.1% in the 4Q23 and the 3Q23, respectively.

"Investing should be more like watching paint dry, or watching grass grow. If you want excitement, take \$800 and go to Las Vegas."

Paul Samuelson

Asia

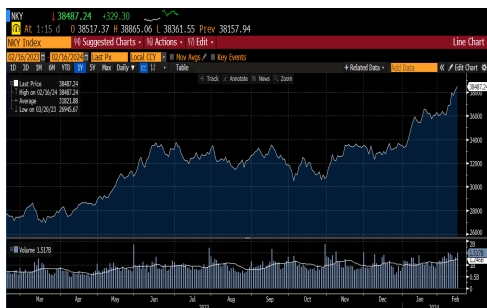
Japan

- GDP for the 4Q23 declined 0.4% annualized, from a contraction of 3.3% in the previous quarter. In this context, the economy would have entered a technical recession, impacted by high inflation and lower household and business consumption.
 - With these data, Japan's economy dropped to fourth place in the world in dollar terms, ceding its place to Germany.

China

- There were no activities during the week, mainly due to the celebration of the lunar new year.

Japan Nikkei Stock Index



Source: Bloomberg

Latin America

Argentina

- Inflation in January reached a rate of 20.6%, which represented a slowdown compared to December's 25.5% figure. The item with the highest increase was miscellaneous goods and services, with a 44% rise, due to the increase in personal care items. Finally, annual inflation stood at 254.2%.

Brazil

- The Central Bank's most recent survey of economists revealed that the Selic reference rate could end the year at 9% and drop to 8.5% in 2025. As for inflation, they raised their expectation slightly to 3.82% by the end of the year and 3.5% by 2025.

Mexico

- The director of Banco de México emphasized that the increase in inflation is not a matter of concern for the institution, as she expects it to return to its downward trend and continue the country's de-inflationary process, and reaffirmed that they will evaluate in future meetings, based on available information, the possibility of lowering the reference rate.
- Figures showed that the country captured US\$28bn in foreign exchange from international tourism in 2023, representing a growth of 8.9% annually.
- The government published a decree to exempt PEMEX from paying taxes for a period of four months to provide liquidity to the company. This waiver would be equivalent to about MXN\$70bn (~US\$4.1bn) and comes after Moody's downgraded the company's credit rating.

Yield on the 10-year Treasury bond



Source: Bloomberg

Important Events in the Coming Week

- In the U.S., President's Day will be celebrated and there will be no activities **02/19**
- In the United States, the FED's minutes will be released **02/21**

In a few words...

Inflation accelerates more than expected in January

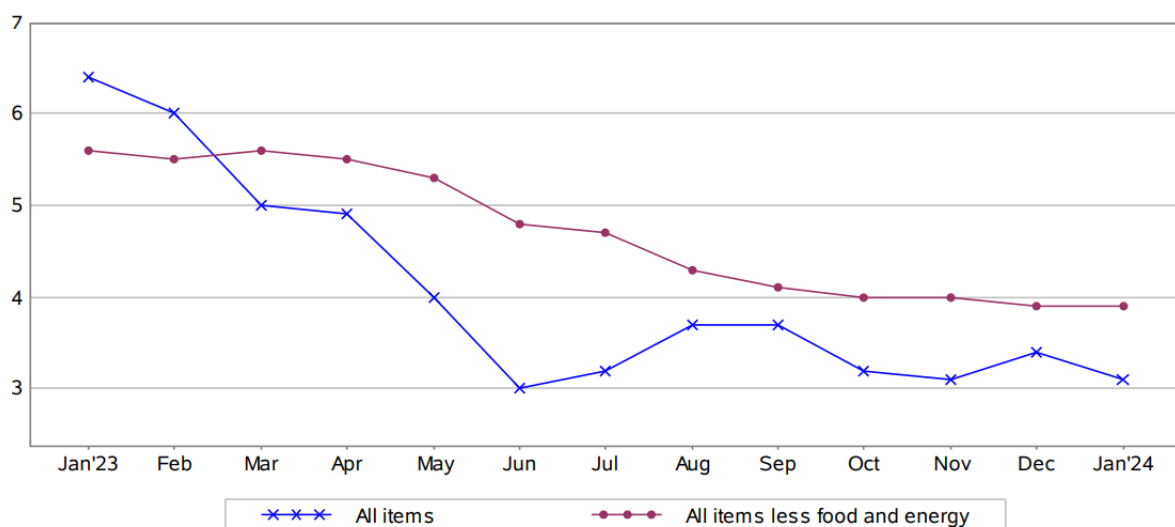
The Consumer Price Index (CPI) for January registered an acceleration of 0.3%, exceeding expectations of 0.2%. This brought the annual inflation rate to 3.1%, compared to the estimate of 2.9% and the 3.4% recorded in December. On the other hand, core CPI inflation, which excludes food and energy, increased by 0.4%, exceeding the forecast of 0.3% and the December figure of 0.3%. In its twelve-month variation, it reached a rate of 3.9% (versus 3.7% expected and 3.9% in January).

In the report, the monthly performance of the food component advanced 0.4% (+2.6% annually), highlighted by a 0.5% monthly (+5.1% annually) rebound in food away from home. On the other hand, the energy index declined 0.9% on the month (-4.6% annually), mainly due to a decline in the gasoline component.

Surprisingly, after several months of moderation, the shelter index rebounded in January, registering an increase of 0.6% monthly (+6% annually). It is worth noting that this category contributed more than two-thirds of the monthly increase in the entire CPI. In detail, the rental index increased 0.4% on the month (+6.1% annually), while rent equivalent to owning a home rose 0.6% on the month (+6.2% annually).

Considering the latest employment and inflation data, it could be thought that the Federal Reserve (FED) will not rush changes in monetary policy, as there is still room for improvement in terms of Core CPI. In this context and after Jerome Powell's reaffirmation that there will be no cuts in March, conditions and consensus expectations suggest that the first adjustment to the reference rate could take place until the June 12 meeting. As we have previously expressed, with this combination of factors prevailing, it is anticipated that the talk of higher rates will remain until a more pronounced cooling in the economy and/or an improvement especially in the housing index, which has a specific weight in the cost of living of Americans, is observed.

Change (%) in the last twelve months in CPI and Core CPI



Source: U.S. Bureau of Labor Statistics

Currencies

	Price	5D Change%	5D Close	YTD%	52 Week High	52 Week Low
EUR/USD	1.08	-0.29	1.08	-2.59	1.13	1.04
USD/ARS	835.04	-0.45	831.29	-3.18	835.07	192.79
USD/BRL	4.98	-0.46	4.95	-2.41	5.34	4.70
USD/MXN	17.08	0.05	17.09	-0.63	19.23	16.63
USD/COP	3917.48	0.12	3922.34	-1.60	4976.40	3805.13
USD/CHF	0.88	-0.88	0.87	-4.66	0.94	0.83
GBP/USD	1.26	-0.51	1.26	-1.31	1.31	1.18
USD/JPY	150.48	-0.78	149.29	-6.27	151.91	129.64
USD/CNY	7.19	0.00	7.19	-1.30	7.35	6.82

Source: Bloomberg

10Y Government Bond Yields

	Yield	YTD(bp)	52 Week High	52 Week Low
Reference Rates				
Fed Funds Rate	5.33	0.0	5.33	4.57
SOFR 3M	5.31	-2	5.43	4.73
North America				
US	4.30	42	5.02	3.25
Canada	3.60	49	4.29	2.63
LatAm				
Argentina (ARS)	70.87	77	116.19	68.09
Brazil (BRL)	10.87	50	13.74	10.29
Colombia (COP)	9.78	-17	13.40	9.56
Mexico (MXN)	9.30	35	10.26	8.56
Europe				
France (EUR)	2.89	33	3.60	2.40
Germany (EUR)	2.41	39	3.03	1.89
Italy (EUR)	3.89	19	5.05	3.46
Spain (EUR)	3.31	32	4.13	2.81
Swiss (CHF)	0.94	24	1.60	0.59
England (GBP)	4.10	56	4.75	3.13

Source: Bloomberg

Commodities

Commodity	Price	5D Change%	YTD %	52 Week High	52 Week Low	Units
Aluminum	2,199.16	0.09	-6.48	2,455.75	2,060.50	Tons
Copper	382.10	3.79	-1.79	423.70	351.95	Pounds
Gold	1,996.50	-1.32	-3.63	2,130.20	1,809.40	Troy Ounce
Silver	22.97	1.64	-4.65	26.24	19.83	Troy Ounce
Petróleo (Brent)	83.00	0.99	7.74	97.69	70.12	Barrel
Petróleo (WTI)	78.53	2.20	9.60	95.03	63.64	Barrel
Gasoline	228.65	-2.27	8.75	299.36	196.72	Gallon
Natural Gas	1.62	-12.40	-35.64	3.63	1.57	MMBTU

Source: Bloomberg

Glossary

Currency Codes

Code	Currency	Code	Currency
ARS	Argentinian Peso	HKD	Hong Kong Dollar
AUD	Australian Dollar	JPY	Japanese Yen
BRL	Brazilian Real	MXN	Mexican Peso
CAD	Canadian Dollar	RUB	Russian Ruble
CHF	Swiss Franc	USD	US Dollar
CNY	China Yuan	MXN	Mexican Peso
COP	Colombian Peso	RUB	Russian Ruble
EUR	Euro	THB	Thailand Baht
GBP	Sterling Pound	USD	US Dollar

Abr.	Description	Abr.2	Description
bbf	barrel	IMF	International Monetary Fund
BoE	Bank of England	Latam	Latin America
BoJ	Bank of Japan	Libor	London interbank offered rate
bp	Basic points	m b/d	Million barrels per day
BRICS	Brazil, Russia, China, India, South Africa	M1	A measure of the money supply that includes all of the physical money like bills and coins as well as demand deposits, current accounts, and negotiable disposal order accounts.
DCF	Discounted Cash Flow	M2	A measure of the money supply that includes cash and deposits (M1) plus savings deposits, common monetary investment funds and other term deposits.
DM	Developed Market	M3	A measure of the monetary supply that includes M2 as well as large time deposits, institutional money market funds, short-term repurchase agreements and larger liquid assets.
EBITDA	Earnings Before Interest Taxes Depreciation and Amortization	M&A	Mergers and Acquisitions
ECB	European Central Bank	MoM	Multiple of Money
EEMEA	Eastern Europe, Middle East and Africa	P/B	Price-to-book value
EM	Emerging Market	P/E	Price to Earnings ratio
EMEA	Europe, Middle East and Africa	PBoC	People's Bank of China
EPS	Earnings Per Share	PMI	Purchasing Manager's Index
ETF	Exchange Trade Fund	PPP	Purchasing Power Parity
FCF	Free Cash Flow	QE	Quantitative Easing
Fed	United States Federal Reserve	QoQ	Quarter on Quarter
FFO	Funds From Operations	REIT	Real Estate Investment Trust
FOMC	Federal Open Market Committee	ROE	Return Of Equity
FX	Foreign Exchange	ROIC	Return On Invested Capital
G10	The Group of Ten	RRR	Required Rate of Return
G3	The Group of Three	VIX	Volatility Index
GDP	Gross Domestic Product	WTI	"West Texas Intermediate"
HC	Hard Currency	YoY	Year over Year
HY	High Yield	YTD	Year To Date
IG	Investment grade		

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