

Weekly Activest

Week from the 18th to the 22nd of March



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

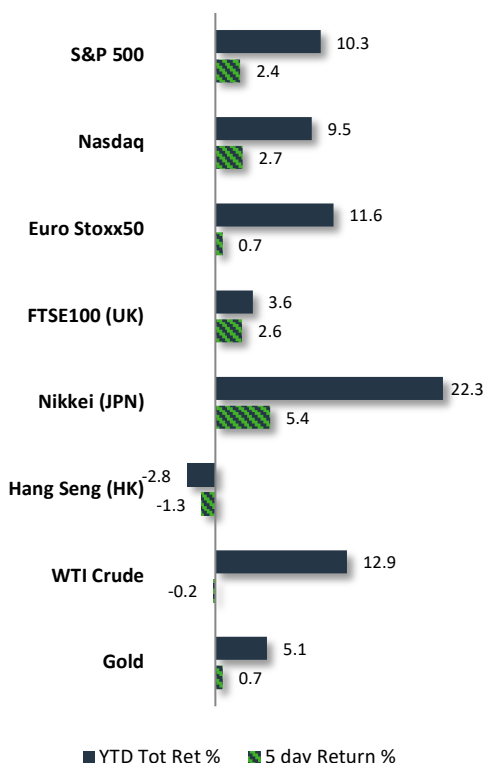
United States

- In economic figures, the good performance of the real estate sector indicators in February was particularly noteworthy. Housing starts rebounded by 11.6% on a monthly basis, reaching their highest level since April 2022. Meanwhile, building permits advanced by 1% monthly and existing home sales grew by 9.5% monthly, far exceeding expectations.
- In its monetary policy announcement, the Fed left the federal funds rate range unchanged at 5.25% - 5.5%, as widely expected. However, it reaffirmed that there will be three 25bp cuts in the remainder of the year. This would bring the federal funds rate to 4.6% from its current average level of 5.4%.
- Bank of America's latest survey of professional investors and portfolio managers showed the highest level of optimism toward equities in more than two and a half years. The survey considers allocation levels in cash market instruments, equity positioning and economic perspectives.

Europe

- Inflation in the UK experienced a marked slowdown in February, falling to 3.4% annually from 4% in January and below the 3.5% expected. This figure represented the lowest reading since September 2021. The largest contributions to this decline came from food, restaurants and cafes, while the greatest upward pressure originated from housing and fuel.
 - In this context, the Bank of England kept its reference rate unchanged at 5.25%, although it left open the possibility of future cuts.
- In a surprise move, the Swiss National Bank cut its reference rate by 25bp to 1.5%. This came after inflation declined to 1.2% annually in February, marking the ninth consecutive month in which inflation remained within the 0-2% target range.

Monitor



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

"Never underrate the importance of asset allocation"

John C Bogle

Asia

Japan

- The Bank of Japan (BOJ) raised its reference rate to the 0% to 0.1% range from -0.1%, a situation not seen since 2007. It also ended its strategy of controlling the sovereign bond yield curve, as well as its purchases of ETF's and REIT's (real estate investment trusts).

China

- Economic figures for February were published, highlighting that retail sales grew by 5.5% annually, exceeding expectations of 5.2%. On the other hand, industrial production increased by 7%, and fixed asset investment rose by 4.2%, both figures above expectations.

Stock index S&P 500



Source: Bloomberg

Latin America

Argentina

- It was reported that 4Q23 GDP declined 1.9% quarterly. Only exports showed a quarterly increase of 5.7%, while private consumption declined by 1.5%, public spending fell by 4.7%, and investment decreased by 10.8%. In terms of annual variation, the GDP experienced a 1.4% decrease, compared to a 0.8% decline in the previous period.

Brazil

- As expected, the Central Bank cut its benchmark Selic interest rate by 50bp at its sixth consecutive meeting, leaving it at 10.75%. The committee anticipated another rate cut of the same magnitude for its May meeting, as long as economic conditions develop as expected

Mexico

- For the first time in three years and in line with market expectations, the Bank of Mexico cut the reference rate by 25bp to 11%. The decision was not unanimous. During 2023, investment reached a record high as a proportion of the GDP, with a rate of 24%, representing the highest figure since records have been kept. Investment was driven by both public works and private projects.

Gold price US\$/oz



Source: Bloomberg

Important Events in the Coming Week

- In the U.S., consumer confidence will be known **03/26**
- In the U.S., the 4Q23 GDP to be published **03/28**

In a few words...

FED: Expectation of 3 cutbacks for this year still latent

The Federal Reserve (FED) made the unanimous and widely anticipated market decision to once again leave the target range for the federal funds rate unchanged at 5.25% - 5.50%, its highest level in the last 22 years. Since July 2023, the FED has not changed the target range. This decision comes in the context of accelerating inflation, which reached 3.2% annually in February (3.8% annually excluding the most volatile components such as food and energy), along with an increase of 275,000 jobs (vs. 198,000 estimated).

In this context, the statement described that the latest employment indicators have shown a solid performance, while inflation remains elevated despite its notable reduction over the last year. In addition, the statement reiterated that the Committee does not expect it to be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%, while it will continue to monitor the implications of incoming information for its future decisions.

On the other hand, the FED updated its macroeconomic perspectives, reaffirming that there will be 3 cutbacks of 25 basis points (bps) in the remainder of the year, unchanged compared to December's estimate. This would bring the federal funds rate to 4.6% from its current average level of 5.4%. By 2025, it could end at 3.9% from 3.6%. As for the economic scenario, the new estimate underwent a notable upward revision, with GDP growth of 2.1% from the previously estimated 1.4% by the close of 2024. By 2025, strength could be maintained with growth of 2% from the 1.8% previously forecast. These scenarios place the economy at growth very close to its long-term potential of around 2%. The unemployment rate was unchanged for both years at around 4%. However, estimated core inflation (excluding volatile components such as food and energy), as measured by the Core PCE, rebounded slightly to 2.6% from 2.4%, while the estimate for 2025 remained at 2.2%.

During his press conference, Jerome Powell confirmed that the federal funds rate has peaked. In addition, he reaffirmed the commitment to return inflation to its long-term target of 2% and expressed confidence that eventually we will begin to see less pressure related to services and housing costs, which have been affecting core inflation. However, Powell noted that the timing of when this may occur is difficult to estimate.

FED Indicators Update (March vs. December)

Variable	Median ¹			
	2024	2025	2026	Longer run
Change in real GDP	2.1	2.0	2.0	1.8
December projection	1.4	1.8	1.9	1.8
Unemployment rate	4.0	4.1	4.0	4.1
December projection	4.1	4.1	4.1	4.1
PCE inflation	2.4	2.2	2.0	2.0
December projection	2.4	2.1	2.0	2.0
Core PCE inflation ⁴	2.6	2.2	2.0	
December projection	2.4	2.2	2.0	
Memo: Projected appropriate policy path				
Federal funds rate	4.6	3.9	3.1	2.6
December projection	4.6	3.6	2.9	2.5

Source: Federal Reserve

Currencies

	Price	5D Change%	5D Close	YTD%	52 Week High	52 Week Low
EUR/USD	1.08	-0.63	1.09	-1.98	1.13	1.04
USD/ARS	854.75	-0.47	850.75	-5.41	854.77	205.66
USD/BRL	4.99	0.19	5.00	-2.60	5.34	4.70
USD/MXN	16.71	0.04	16.71	1.58	18.80	16.63
USD/COP	3913.23	-0.73	3882.89	-1.45	4768.23	3805.13
USD/CHF	0.90	-1.55	0.88	-6.27	0.92	0.83
GBP/USD	1.26	-1.01	1.27	-0.97	1.31	1.20
USD/JPY	151.23	-1.41	149.04	-6.70	151.91	129.64
USD/CNY	7.23	-0.45	7.20	-1.79	7.35	6.83

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	4.58
SOFR 3M	5.31	-2	5.43	4.81
North America				
US	4.22	34	5.02	3.25
Canada	3.46	35	4.29	2.64
LatAm				
Argentina (ARS)	70.87	77	116.19	68.09
Brazil (BRL)	11.03	66	13.17	10.29
Colombia (COP)	10.08	13	12.31	9.56
Mexico (MXN)	9.25	29	10.26	8.56
Europe				
France (EUR)	2.81	25	3.60	2.40
Germany (EUR)	2.33	31	3.03	1.89
Italy (EUR)	3.65	-5	5.05	3.46
Spain (EUR)	3.17	17	4.13	2.81
Swiss (CHF)	0.67	-3	1.31	0.59
England (GBP)	3.93	39	4.75	3.13

Source: Bloomberg

Commodities

Commodity	Price	5D Change%	YTD %	52 Week High	52 Week Low	Units
Aluminum	2,272.09	2.96	-3.38	2,452.00	2,060.50	Tons
Copper	399.10	-2.95	2.58	419.55	351.95	Pounds
Gold	2,177.00	0.72	5.08	2,225.30	1,809.40	Troy Ounce
Silver	24.85	-0.10	3.17	26.24	20.85	Troy Ounce
Petróleo (Brent)	85.66	0.37	11.19	97.69	71.28	Barrel
Petróleo (WTI)	80.89	-0.19	12.90	95.03	63.64	Barrel
Gasoline	273.75	0.61	30.20	299.36	196.72	Gallon
Natural Gas	1.66	0.48	-33.85	3.63	1.51	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		

DISCLAIMER

***DISCLAIMER:** Activest Wealth Management, LLC is an investment adviser registered with the United States Securities and Exchange Commission. Such registration does not imply that the Firm is recommended or approved by the United States government or any regulatory agency. Activest Wealth Management, LLC may only transact business or render personalized investment advice in those states and international jurisdictions where it is registered, has notice filed, or is otherwise excluded or exempted from registration requirements. Activest Wealth Management, LLC may not provide investment advisory services to any resident of states in which the Adviser is not registered. The purpose of this material is for information distribution only and should not be construed as an offer to buy or sell securities or to offer investment advice. Past results are no guarantee of future results, and no representation is made that a client will or is likely to achieve results that are similar to those described. An investor should consider his or her investment objectives, risks, charges and expenses carefully before investing. Please refer to Activest Wealth Management, LLC's ADV Part 2 (firm brochure) for additional information and risks. Information contained herein has been derived from sources believed to be reliable but is not guaranteed as to accuracy and does not purport to be a complete analysis of the security, company or industry involved. The attached document should not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any securities. It does not involve the rendering of personalized investment advice. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for a client's portfolio. Returns do not represent the performance of Activest Wealth Management or any of its advisory clients. Returns do not reflect the impact of advisory fees. Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid or actually paid, the incurrence of which would have the effect of decreasing historical performance results. There are no assurances that a portfolio will match or outperform any particular benchmark. You may experience a loss. This communication was sent from Activest and contains information that may be confidential or privileged. This e-mail and any attachments is intended only for use by the addressee herein named. If you are not the intended recipient of this communication, you should not disseminate, distribute or copy this e-mail without the consent of Activest Wealth Management. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. All personal messages or opinions express views only of the sender and may not be copied or distributed. E-mail transmissions cannot be guaranteed to be secure or error free. This communication is provided for information purposes and should not be construed as a recommendation or solicitation or offer to buy or sell any securities or related financial instruments, nor as an official confirmation of performance. It is important that you do not use e-mail to request, authorize or effect the purchase or sale of any security, to send fund transfer instructions, or to effect any other transactions. Any such request, orders, or instructions that you send will not be accepted and will not be processed. Any information is supplied in good faith based on information which Activest believes, but do not guarantee, to be accurate or complete. Recipients should be aware that all e-mails exchanged with the sender are automatically archived and may be accessed at any time by duly authorized persons and may be produced to other parties, include public authorities, in compliance with applicable laws. All communications requiring immediate attention or action by the adviser should not be sent via e-mail, since they may not be acted upon in a timely manner. Electronic mail (e-mail) may not be as reliable or secure as other forms of communication. If your e-mail address changes or you prefer that we communicate using the postal service, please notify our firm promptly in writing.*

For more information: www.activestwm.com

