

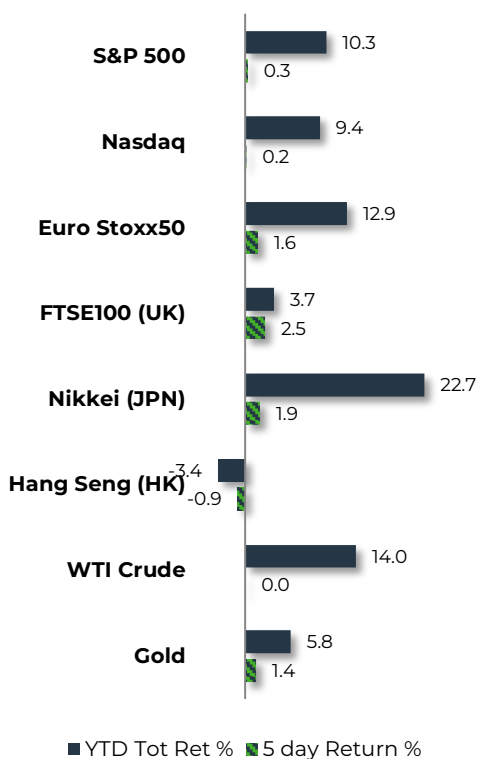
# Weekly Activest

Week from the 25<sup>th</sup> to the 28<sup>th</sup> of March



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## Monitor



Note: Indicative returns recorded at 04:00 ET on March 27.

*"Time is your friend;  
impulse is your enemy"*

**John C Bogle**

## United States

- It was a short week for markets and economic activity, with consumer confidence showing no substantial change during March, mainly reflecting concerns among respondents about the political environment ahead of the November elections.
  - Housing prices according to the S&P Case-Shiller index for the 20 most relevant cities advanced 0.14% monthly in January, compared to the estimate of 0.2%. On its annual variation, an increase of 6.59% was observed, in line with expectations.
  - Heading into the end of the week, the latest revision to the Q4 2023 GDP will be released, with a 3.2% annualized growth, unchanged from the previous estimate.
- Raphael Bostic of the Atlanta FED estimated only one cutback this year of 25bp, in contrast to his previous forecast of two cutbacks.

## Europe

- Consumer confidence (GfK) in Germany reflected a slight recovery in its advance reading for April, although consumers remain skeptical about future improvement in the economy.
- After keeping its reference rate unchanged a few days ago, the Bank of England said that households and businesses have shown resilience in this macroeconomic context of high interest rates.

# Asia

## Japan

- A survey revealed that business optimism among Japanese manufacturers is likely to have declined slightly in the 1Q24 due to some disruptions in automobile production.
- After the yen fell to 151.97, its lowest level against the dollar in 34 years, the Minister of Finance did not rule out the possibility of intervening in the foreign exchange markets.

## China

- Profits of industrial companies grew by 10.2% YoY in February, reinforcing the prospect that the economic recovery in the country has begun to gain traction.

Japanese Yen (JPN)



Source: Bloomberg

# Latin America

## Argentina

- Economic activity contracted 5.6% annually in the first two months of the year. However, during February, mining and agriculture boosted a slight growth compared to January.

## Brazil

- The minutes of the last Central Bank meeting noted that discussions emerged about more modest cutbacks to the reference rate in the future, citing the risk of increasing uncertainty both domestically and internationally. Therefore, incoming information and data will be especially important in defining the terminal interest rate and its respective path.
- The company Mercado Libre announced that it plans to invest US\$4.6bn in the country this year, which represents an increase of 21.1% compared to 2023.

## Mexico

- The governor of the Bank of Mexico, Victoria Rodriguez, said that further cutbacks will be discussed at the next monetary policy meetings, although they will be assessed one by one based on the information available.

Bitcoin US\$



Source: Bloomberg

## Important Events in the Coming Week

- In the United States, manufacturing and services indicators (ISM) will be released **04/1 – 3**
- In the United States, employment figures to be released **04/05**

## In a few words...

### Expectations for the 1Q24 corporate reports

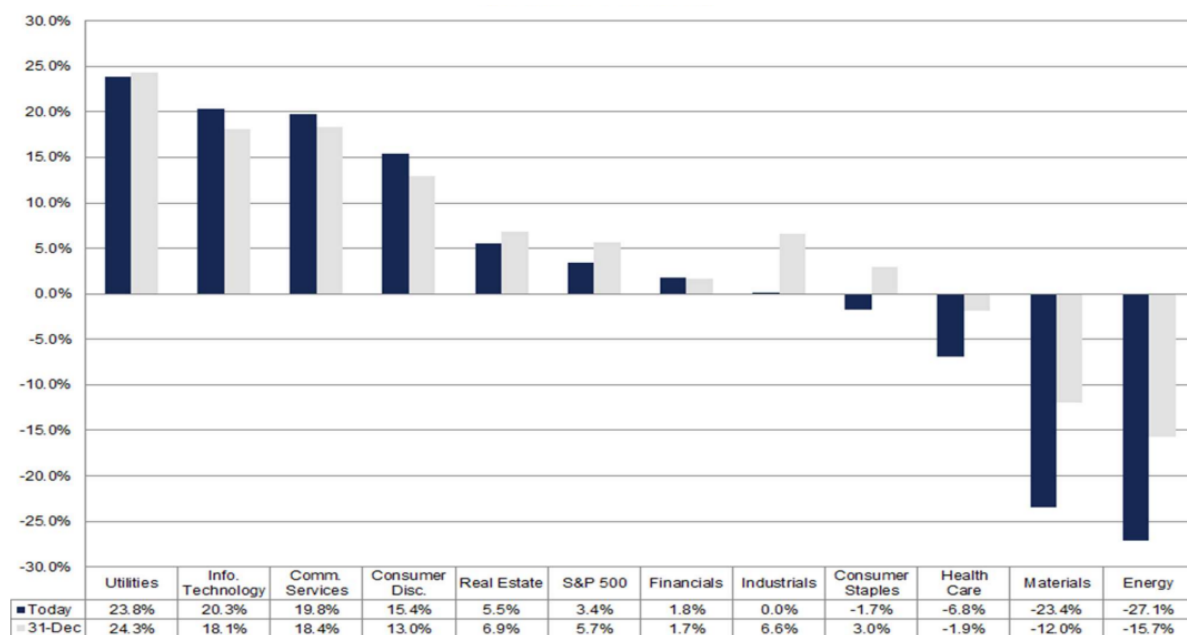
Quarterly earnings season will begin in the coming weeks. The most recent report indicates that the analyst consensus anticipates annual earnings growth for the S&P 500 of 3.4% (YoY) for the first quarter of the year. If confirmed, this could mark the third consecutive quarter of YoY earnings growth for companies. However, this estimate is lower than the 5.7% YoY increase that analysts estimated at the beginning of the quarter.

Six of the eleven sectors are projected to report YoY earnings growth, led by the utilities, technology, communication services and consumer discretionary sectors. In detail, it highlights the expected 20.3% YoY earnings growth in the technology sector, where NVIDIA, Microsoft and Micron Technology have been the main contributors to this increase. In the case of the consumer discretionary sector, Amazon.com and cruise companies stand out as the main factors behind the expected growth of 15.3% YoY. On the other hand, four sectors are expected to report a YoY decline in earnings, led by the energy and materials sectors in the face of lower commodity prices. Finally, the industrial sector is expected to report an unchanged (0.0%) YoY earnings performance.

At the revenue or sales level, the consensus forecasts a 3.6% YoY increase, which is below the average revenue growth of the last 5 years (+6.9%) and below the average revenue growth of the last 10 years (+5.0%). Nonetheless, if the 3.6% expected revenue growth were to materialize, revenues would accumulate fourteen quarters of positive growth. With this combination of factors, the net income margin for the quarter would be 11.6%, practically the same as in 1Q23, although better than the 11.5% average of the last five years.

Analysts continue to project that earnings and revenues for the full year could reach increases in the order of 10.9% and 5.1%, respectively. As is customary, JP Morgan will kick off on April 12; therefore, investors' focus will be on the development of the season, amid a high level of optimism for the AI boom and the prospect that the first interest rate cutbacks could occur later this year.

*S&P 500: expected earnings growth for the 1Q24*



Source: Facset

## Currencies

	Price	5D Change%	5D Close	YTD%	52 Week High	52 Week Low
<b>EUR/USD</b>	1.08	-0.86	1.09	-1.91	1.13	1.04
<b>USD/ARS</b>	857.67	-0.51	853.28	-5.74	857.78	207.76
<b>USD/BRL</b>	4.98	-0.22	4.97	-2.45	5.22	4.70
<b>USD/MXN</b>	16.56	0.71	16.68	2.47	18.49	16.51
<b>USD/COP</b>	3852.31	1.08	3893.73	0.07	4717.85	3805.13
<b>USD/CHF</b>	0.90	-1.98	0.89	-7.01	0.92	0.83
<b>GBP/USD</b>	1.26	-1.14	1.28	-0.72	1.31	1.20
<b>USD/JPY</b>	151.36	-0.07	151.26	-6.82	151.97	130.64
<b>USD/CNY</b>	7.23	-0.39	7.20	-1.74	7.35	6.83

Source: Bloomberg

## 10Y Government Bond Yields

	Yield	YTD(bp)	52 Week High	52 Week Low
<b>Reference Rates</b>				
<b>Fed Funds Rate</b>	5.33	0.0	5.33	4.83
<b>SOFR 3M</b>	5.30	-3	5.43	4.81
<b>North America</b>				
<b>US</b>	4.19	31	5.02	3.25
<b>Canada</b>	3.44	33	4.29	2.72
<b>LatAm</b>				
<b>Argentina (ARS)</b>	70.87	77	116.19	68.09
<b>Brazil (BRL)</b>	11.02	66	13.03	10.29
<b>Colombia (COP)</b>	10.15	19	12.31	9.56
<b>Mexico (MXN)</b>	9.30	34	10.26	8.56
<b>Europe</b>				
<b>France (EUR)</b>	2.79	23	3.60	2.40
<b>Germany (EUR)</b>	2.29	27	3.03	1.89
<b>Italy (EUR)</b>	3.61	-9	5.05	3.46
<b>Spain (EUR)</b>	3.14	14	4.13	2.81
<b>Swiss (CHF)</b>	0.69	-1	1.31	0.59
<b>England (GBP)</b>	3.93	40	4.75	3.29

Source: Bloomberg

## Commodities

Commodity	Price	5D Change%	YTD %	52 Week High	52 Week Low	Units
<b>Aluminum</b>	2,270.03	1.40	-3.46	2,452.00	2,060.50	Tons
<b>Copper</b>	401.10	-0.68	3.10	419.55	351.95	Pounds
<b>Gold</b>	2,191.50	1.41	5.78	2,225.30	1,809.40	Troy Ounce
<b>Silver</b>	24.71	-0.89	2.59	26.24	20.85	Troy Ounce
<b>Crude Oil (Brent)</b>	86.35	0.47	12.08	97.69	71.28	Barrel
<b>Crude Oil (WTI)</b>	81.70	0.02	14.03	95.03	63.64	Barrel
<b>Gasoline</b>	269.10	-1.54	27.98	299.36	196.72	Gallon
<b>Natural Gas</b>	1.71	0.88	-31.82	3.63	1.48	MMBTU

Source: Bloomberg

## Glossary

### Currency Codes

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

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

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