

Weekly Axxets

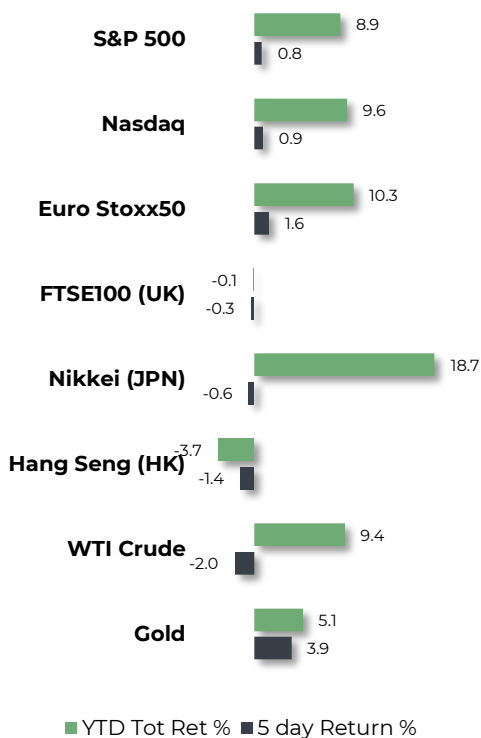
Week from the 4th to the 8th of March



Axxets Management, 308 E Bay Street 3rd Floor, Nassau Bahamas

United States

Monitor



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

- According to indicators, employment figures showed that job openings (JOLTS) declined marginally in January to 8.86 million (vs. 8.89 million in December and 8.90 million estimated).
 - February nonfarm payrolls rose by 275,000 jobs, exceeding the expectation of 200,000 jobs. Meanwhile, the unemployment rate rose to 3.9% from 3.7% and wages rose 0.1% in the month (+4.3% annually vs. 4.5% previously).
- On the most relevant day of the presidential race, Joe Biden and Donald Trump won a large number of delegates, scoring dominant victories on Super Tuesday.
- Jerome Powell told lawmakers that interest rate cuts will depend largely on the direction of the economy. If conditions remain as expected, cutbacks could be implemented later this year.
 - In the context of the presidential election and with numerous political issues at stake, the FED chief simply said, "We're going to stay focused on our jobs, try to deliver what the public expects of us, and get on with our work."

Europe

- In line with expectations, the ECB left its reference rates unchanged. However, it highlighted a faster than expected slowdown in inflation, leaving open the possibility of rate cutbacks eventually.
- In February, economic activity showed signs of recovery according to the composite PMI. The services sector expanded for the first time since July.
- The Berlin-based Institute for Economics (DIW) estimated that the German economy could contract by 0.1% in the first quarter of 2024, after declining by 0.3% in the fourth quarter of 2023. Although it forecast a rebound in the second quarter of 2024, it expects the German economy to stagnate throughout 2024.

"Don't look for the needle in the haystack. Just buy the haystack!"

John Bogle

Asia

Japan

- According to forecasts, Tokyo's core inflation accelerated in February to 2.5% annually from 1.8% in January. However, it exceeded the target set by the Central Bank. The next monetary policy announcement is scheduled for the 18th and 19th of March.

China

- Premier Li Qiang announced a growth target for this year of "around 5%" and the issuance of special bonds for large projects. He also promised to eliminate restrictions on foreign investment in the manufacturing sector.
- Despite the festivities related to the Lunar New Year, service sector activity slowed its pace of expansion in February. Meanwhile, exports in the previous month grew by 7.1%, exceeding estimates of 1.9%.

Bitcoin US\$



Source: Bloomberg

Latin America

Argentina

- Inflation in the City of Buenos Aires reached 14% monthly in February, resulting in an annual rate of 264.5%. The categories that most pressured the index were food and beverages, transportation, housing, water, electricity and gas.

Brazil

- The debt to GDP ratio rose to 75% in January, an increase of 70 basis points over December. This increase was due to the impact of accrued interest on debt, which reached approximately US\$16bn, representing a 53% growth compared to January of last year.

Mexico

- Productive investment recorded its strongest growth in 2023, driven mainly by government mega-construction projects and higher *nearshoring*-related spending by private companies. Investment experienced an annual growth rate of 19.7%.
- February inflation came in at 4.40% annually, down from 4.88% in January. This result broke a streak of three consecutive months of acceleration and came in better than expected, beating expectations of 4.44%. This has raised expectations of a possible rate cutback in the upcoming March announcement.

Stock index Nikkei (JPN)



Source: Bloomberg

Important Events in the Coming Week

- In the United States, February's inflation to be announced **03/12**
- In the U.S., industrial production will be published **03/15**

In a few words...

Global Monitor of Inflation: persistent at 3%

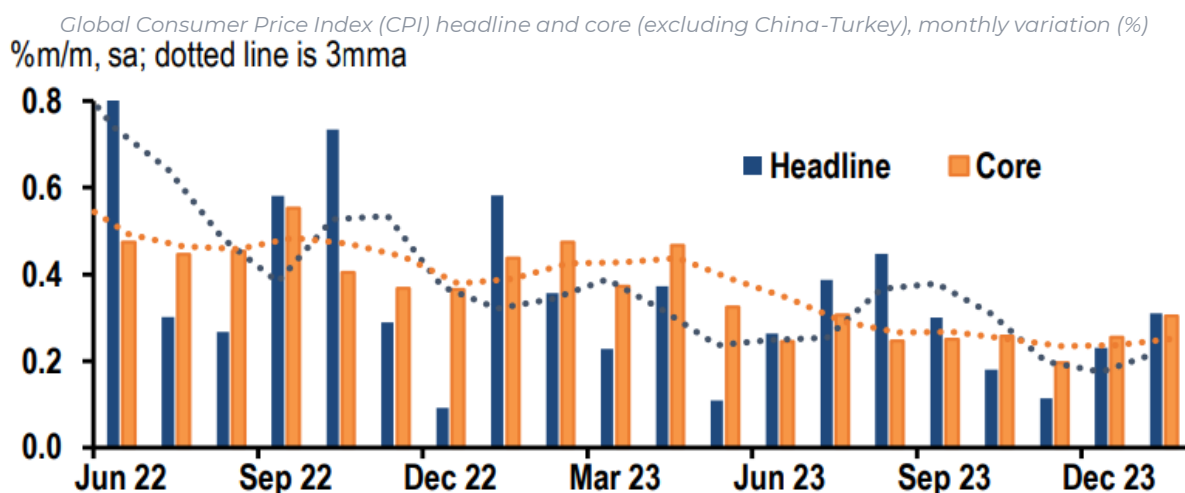
According to JP Morgan's monitoring, headline and core global inflation, excluding China and Turkey (China is experiencing deflation, while Turkey has a double-digit inflation rate) increased slightly by 0.3% on a monthly basis in January. Their annual variations continued to decline, although headline inflation rebounded to 2.6% in the last three months to January, and core inflation (excluding volatile components such as food and energy) also increased slightly to 3%.

U.S. core goods prices excluding autos (e.g., apparel, electronics, furniture, etc.), rebounded 0.16% monthly in January, indicating the end of global goods price deflation in the first half of 2024. Another interesting point, notes that container shipping costs have increased 150% since the beginning of December, however, supplier lead times still remain near historical levels, suggesting limited impact so far due to geopolitical tensions in the Middle East. Additionally, oversupply in China continues to put downward pressure on manufactured goods prices.

In addition, there was a 0.5% monthly increase in services prices, driven by a 0.7% increase in the United States. Core services (e.g., housing, medical services, education, etc.) increased 0.46% on a monthly basis, registering their largest increase since December 2022, raising the annual rate for the last quarter above the 4-4.5% range. Much of this rebound was due to the increase in the United States again, reaching an annual rate of 6.2%, while services inflation in developed countries, excluding the U.S., remained stable at 3% annually. Particularly noteworthy was the continued pressure on shelter costs in the United States.

Global food inflation remained stable at close to 3.5% annually in the three months to January, although food inflation in emerging markets accelerated to 6.5% annually. The latter was due to a spike in the weather phenomenon known as "El Niño", which has caused localized increases in fresh food prices in Mexico and Brazil.

With this combination of factors, core inflation (a metric of particular interest to central banks) at the global level is expected to rebound to 3.3% in the first quarter of 2024, compared to 3% in the fourth quarter of 2023. In this context, conditions suggest that monetary authorities, especially within developed countries, may temporarily postpone interest rate cutbacks, pending clearer signals of more significant cooling in key categories such as essential services and housing.



- The dotted lines refer to the three-month moving average.

Source: JP Morgan

Currencies

English Version

	Price	5D Change%	5D Close	YTD%	52 Week High	52 Week Low
EUR/USD	1.10	1.13	1.08	-0.72	1.13	1.04
USD/ARS	846.72	-0.42	843.19	-4.52	846.75	200.25
USD/BRL	4.97	-0.36	4.96	-2.33	5.34	4.70
USD/MXN	16.78	1.42	17.02	1.16	19.23	16.63
USD/COP	3904.75	1.10	3947.61	-1.28	4880.52	3805.13
USD/CHF	0.88	0.97	0.88	-3.83	0.93	0.83
GBP/USD	1.29	1.82	1.27	1.21	1.31	1.19
USD/JPY	#N/A Requesting Data...	2.21	150.12	-3.97	151.91	129.64
USD/CNY	7.19	0.14	7.20	-1.21	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	5.32	-1	5.43	4.73
North America				
US	4.07	19	5.02	3.25
Canada	3.32	21	4.29	2.63
LatAm				
Argentina (ARS)	70.87	77	116.19	68.09
Brazil (BRL)	10.77	40	13.39	10.29
Colombia (COP)	9.95	-1	12.66	9.56
Mexico (MXN)	9.16	20	10.26	8.56
Europe				
France (EUR)	2.70	14	3.60	2.40
Germany (EUR)	2.25	23	3.03	1.89
Italy (EUR)	3.56	-14	5.05	3.46
Spain (EUR)	3.06	7	4.13	2.81
Swiss (CHF)	0.71	1	1.57	0.59
England (GBP)	3.96	43	4.75	3.13

Source: Bloomberg

Commodities

Commodity	Price	5D Change%	YTD %	52 Week High	52 Week Low	Units
Aluminum	2,214.70	0.80	-5.82	2,452.00	2,060.50	Tons
Copper	387.80	0.60	-0.32	419.55	351.95	Pounds
Gold	2,177.00	3.88	5.08	2,192.70	1,809.40	Troy Ounce
Silver	24.48	5.75	1.64	26.24	19.83	Troy Ounce
Petróleo (Brent)	82.52	-1.23	7.11	97.69	70.12	Barrel
Petróleo (WTI)	78.38	-1.99	9.39	95.03	63.64	Barrel
Gasoline	253.52	-3.03	20.57	299.36	196.72	Gallon
Natural Gas	1.80	-1.91	-28.40	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		

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