

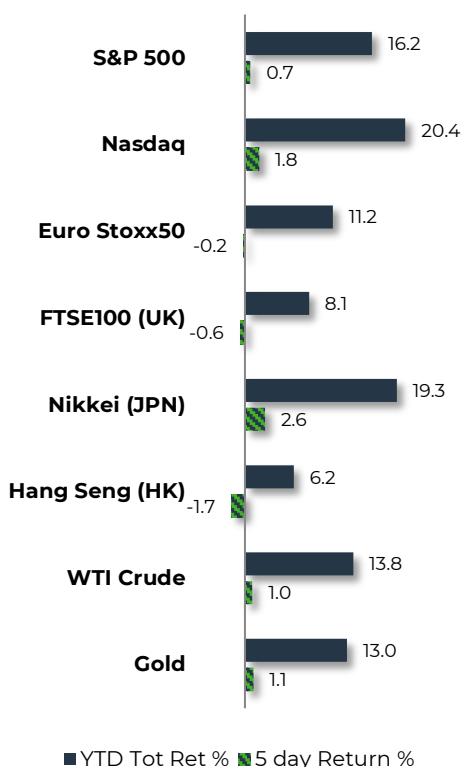
Weekly Activest

Week from the 24th to the 28th of June



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

Monitor



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

"The function of economic forecasting is to make astrology look respectable."

John Kenneth Galbraith

United States

- On the economic front, consumer confidence declined in June, with respondents highlighting a weaker outlook for the economy and business.
 - Single-family housing prices increased 0.2% monthly in April. Thus, the annual variation over the last twelve months was 6.3% (vs. 6.7% in March). The average rate on a 30-year fixed mortgage reached a six-month high of 7.22% in early May, although it has since retreated to 6.87%.
 - The latest revision of the 1Q24 GDP showed that the economy grew 1.4% annualized, slightly better than the previous estimate of 1.3%. For the 2Q24, the consensus estimate is that growth could hover around 2%.
- The stress tests applied by the Fed to different financial institutions showed that they could face the scenario of a severe recession. The 31 banks that participated this year passed the test of being able to absorb losses while maintaining more than the minimum required level of capital.

Europe

- In Germany, business confidence (Ifo) deteriorated more than expected during June, providing signs that the economy is having difficulty overcoming stagnation.
 - Meanwhile, consumer confidence (Gfk) declined in its advance reading for July.
- Investors in the region will be keeping an eye on the first round of the French parliamentary elections to be held over the weekend. The latest polls suggest that the far-right National Rally (RN) party will reach 36% of the vote, while President Macron's Centrist Bloc stands at 21%.

Asia

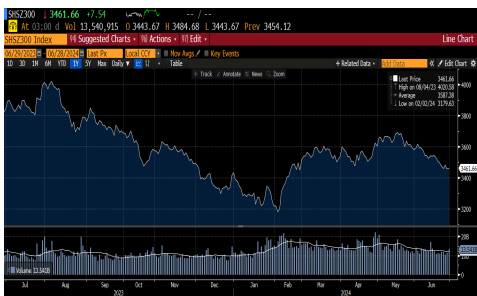
Japan

- Business services inflation reached 2.5% annually in May, which represented a deceleration from the 2.7% rate of the previous month.

China

- It was a week of little economic activity; however, the main highlight was that the reference stock index (CSI 300) during the week reached its lowest level since the end of February.
- In its monthly variation, the profits of industrial companies barely grew 0.7% on a monthly basis in May, mainly due to the benefit of higher raw material prices. For the year to May, the accumulated growth was 3.4% annually.

Stock index CSI 300 of China



Source: Bloomberg

Latin America

Argentina

- The economy entered a technical recession after GDP contracted 2.6% in the first quarter of the year compared to the last quarter of 2023. On the other hand, the unemployment rate rose in the 1Q24 to 7.7%, from 5.7% in the 4Q23.

Brazil

- The minutes of the Central Bank's last meeting indicated that its members are not considering resuming their monetary easing cycle in the near term, as the economy is growing faster than anticipated and inflation expectations are rising.
- Amid pressures mainly in food, inflation for the first half of June accelerated to 4.06% annually (versus 3.7% previously), although it was better than expected, which was 4.12%.

Mexico

- Inflation in the first half of June accelerated to 4.78% annually, from 4.59% previously and the 4.7% expected. Within the report, the increase of 17.3% annually in fruits and vegetables stood out. However, there was a deceleration in services inflation, reaching 5.19% annually, the lowest since the second half of March of this year.
- In line with expectations, the Bank of Mexico left the reference rate unchanged at 11%.

Stock index HSI of Hong Kong



Source: Bloomberg

Important Events in the Coming Weeks

- In the United States, there will be FED minutes and jobs data **07/03 - 05**
- In the U.S., there will be a holiday for the celebration of Independence Day **07/04**

In a few words...

Catalysts for the second half of the year

As we approach the start of the second half of the year, we stand out the strong performance of the S&P 500, which has accumulated gains of approximately ~15%. This performance primarily reflects optimism around artificial intelligence (AI), resilience in corporate earnings, and expectations of a potential Federal Reserve (FED) reference rate cut. Here are the key events that investors will be watching closely for the remainder of the year:

2Q24 and 3Q24 Quarterly Reports: Second quarter earnings season is scheduled to begin during the second week of July, led by JPMorgan Chase (JPM), Wells Fargo (WFC) and Citigroup (C) banks. Annual earnings growth of 8.8% is estimated for S&P 500 companies, marking the highest rate since the first quarter of 2022 (+9.4%). Meanwhile, for the third quarter (3Q24), potential growth of 8.2% annually is forecast, which could lead to an 11.3% annual increase in corporate earnings for the full year 2024.

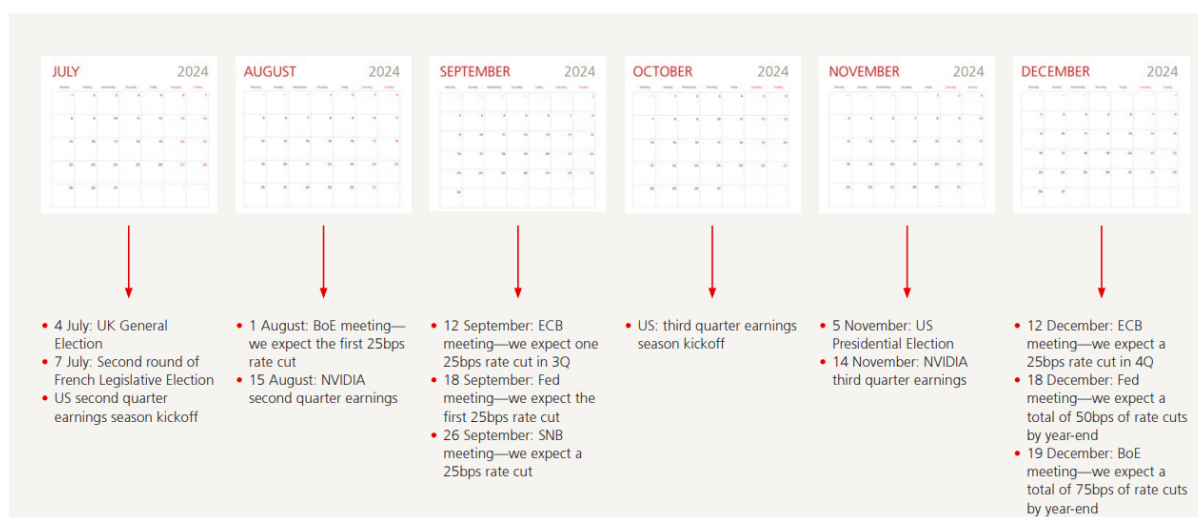
Other Geopolitical Events: The United Kingdom will hold early elections on July 4, determining the composition of its Lower House, and ultimately the country's next government. In France, the second round of parliamentary elections will be held on July 7, where the far-right Rassemblement National (RN) party won a historic 31.4% of the vote for the European Parliament, beating the 14.6% obtained by Macron's party.

Boom in Artificial Intelligence (AI): More than 18 months after the launch of ChatGPT, the growing adoption of AI has significantly boosted the markets. Companies such as Microsoft, NVIDIA, Apple, Alphabet, Amazon and Meta have contributed 64% of the global stock market's total return since then. In June, NVIDIA became the world's largest publicly traded company. This growth suggests that capital expenditure (CAPEX) in AI could continue in the coming months, further strengthening earnings growth for the sectors involved, such as semiconductors, which could grow 50% this year and 25% by 2025. As the AI ecosystem grows, it is estimated that CAPEX for developers could reach US\$331 billion by 2027.

Interest Rate Cuts: Slower economic growth and expectations of a slowdown in inflation could lead to further rate cuts by central banks such as the Swiss National Bank, ECB and Bank of Canada. On the other hand, the Bank of England's first cut is projected to be in August, and the FED is expected to implement its first 25 basis point cut on September 18.

U.S. Presidential Elections: On November 5, U.S. voters will decide the outcome of the presidential election. Democratic President Joe Biden and former Republican President Donald Trump will face off in key debates scheduled for June and September. Current polls show a slight advantage for Trump, although a significant proportion of voters are still undecided. Historically, election years have tended to generate positive returns in the markets, with the S&P 500 posting an average historical return of 10.1% since 1937.

Some key dates for the second half of 2024



Source: UBS

Currencies

	Price	5D Change%	5D Close	YTD%	52 Week High	52 Week Low
EUR/USD	1.07	0.00	1.07	-3.13	1.13	1.04
USD/ARS	912.01	-0.69	905.75	-11.35	912.09	256.21
USD/BRL	5.58	-2.68	5.43	-12.98	5.58	4.70
USD/MXN	18.30	-1.05	18.11	-7.28	18.99	16.26
USD/COP	4144.43	-0.04	4145.99	-7.06	4403.33	3738.25
USD/CHF	0.90	-0.61	0.89	-6.45	0.92	0.83
GBP/USD	1.26	-0.14	1.26	-0.82	1.31	1.20
USD/JPY	160.51	-0.47	159.80	-12.16	161.27	137.25
USD/CNY	7.27	-0.06	7.26	-2.27	7.35	7.09

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	5.07
SOFR 3M	5.32	-1	5.43	5.24
North America				
US	4.27	39	5.02	3.70
Canada	3.45	34	4.29	3.02
LatAm				
Argentina (ARS)	70.87	77	116.19	68.09
Brazil (BRL)	12.17	181	12.27	10.29
Colombia (COP)	10.79	83	12.31	9.56
Mexico (MXN)	9.94	98	10.36	8.60
Europe				
France (EUR)	3.28	72	3.60	2.40
Germany (EUR)	2.45	43	3.03	1.89
Italy (EUR)	4.05	35	5.05	3.46
Spain (EUR)	3.40	41	4.13	2.81
Swiss (CHF)	0.57	-13	1.23	0.56
England (GBP)	4.13	59	4.75	3.43

Source: Bloomberg

Commodities

Commodity	Price	5D Change%	YTD %	52 Week High	52 Week Low	Units
Aluminum	2,453.97	-1.26	4.36	2,759.00	2,071.00	Tons
Copper	440.10	-0.92	13.12	519.85	351.95	Pounds
Gold	2,341.20	1.07	13.00	2,454.20	1,809.40	Troy Ounce
Silver	29.57	-0.17	22.75	32.50	20.85	Troy Ounce
Crude Oil (Brent)	86.47	1.44	12.24	97.69	71.57	Barrel
Crude Oil (WTI)	81.58	1.05	13.86	95.03	67.05	Barrel
Gasoline	254.53	1.26	21.05	299.36	196.72	Gallon
Natural Gas	2.66	-1.66	5.81	3.63	1.48	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
bb1	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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