

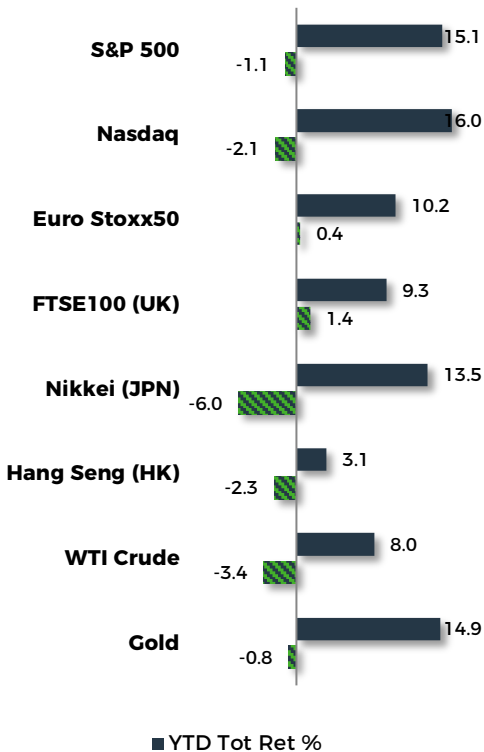
# Weekly Activest

Week from the 22<sup>nd</sup> to the 26<sup>th</sup> of July



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

## Monitor



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

*"A 10% decline in the market is fairly common—it happens about once a year. Investors who realize this are less likely to sell in a panic, and more likely to remain invested, benefitting from the wealth building power of stocks."*

**Christopher Davis**

## United States

- **President Joe Biden has officially dropped out of the race** for the Democratic presidential nomination, endorsing Vice President **Kamala Harris as the nominee**. Subsequently, **Kamala Harris received the support of the Democratic delegates needed to virtually secure her nomination**.
- **Cryptocurrency milestone: SEC approves first Ethereum ETFs**. The SEC has approved the first Ethereum ETFs, marking another significant milestone **for investors interested in cryptocurrencies**. This approval represents **an important step forward in the integration of cryptocurrencies** into traditional financial markets.
- **2Q24 economic growth: Good news**. The economy grew by an **annualized 2.8%** during the second quarter of 2024, compared to **1.4% growth in the previous quarter**. This was **above the 2% forecast**. In addition, personal consumption advanced **2.3% during the same period**, also beating forecasts.
- **Quarterly reporting season: S&P 500 companies on the rise**. The quarterly reporting season is progressing with **29% of companies having reported**. **77% of them have exceeded earnings forecasts**. In this context, **S&P 500 companies' earnings are up 8% year-over-year**.

## Europe

- **A week with little economic and financial information**. The main highlight was that the **preliminary composite PMI for the euro zone stagnated**.
  - This was due to a **weak performance in the services industry and the prevailing contraction in the manufacturing sector**.
- Meanwhile, **economic activity in the United Kingdom rebounded** this month.
  - This rebound was driven by the **strongest manufacturing growth in two years** and an **acceleration in new orders not seen since April 2023**.

## Asia

### Japan

- **Expectations for monetary policy and minimum wage hike** The Bank of Japan is expected to discuss a rate hike as well as a plan to substantially reduce its asset purchase scheme during its next monetary policy meeting next week.
  - A government panel agreed to **increase the average hourly minimum wage in the country to 1,054 yen (US\$6.90), or 5%.**

### China

- **Surprise interest rate cuts** Surprisingly, the Central Bank cut its short and long-term reference rates, a situation not seen since August of last year.
  - Towards the end of the week, the institution once again surprised the markets by applying another cut, but this time to medium-term rates.

## Latin America

### Argentina

- **Risk in economic measures** According to Fitch, the latest economic measures implemented by Javier Milei's administration **risk affecting the country's ability to accumulate international reserves and regain access to capital markets.** Therefore, they consider that the outlook for the country's sovereign debt remains uncertain.

### Brazil

#### Inflation deceleration

**Inflation in the first half of July rose 0.3%.** This implied a deceleration in relation to the previous figure, however, it was **above the estimate of 0.23%.** Seven of the nine categories that make up the index saw price increases, with **transportation registering the largest increase.** Finally, in annual terms, inflation stood at **4.45%.**

### Mexico

- **Increase in economic activity and international reserves** The monthly increase of **0.7% in May** with respect to April was better than the estimate of 0.5%. **The services sector was the most dynamic.** With these data, the annual variation was 1.6%.
- **Banco de México's international reserves** reached a historic level of over US\$222 billion.

Nasdaq ETF (QQQ)



Source: Bloomberg

S&P 500 Information Tech Index



Source: Bloomberg

# Important Events in the Coming Week

- In the U.S., there will be a FED monetary policy announcement **07/31**
- In the U.S., employment figures will be released **08/02**

## In a few words...

### Markets in times of elections

With the November U.S. presidential election approaching, and with former President Trump leading in the polls while President Biden endorses Vice President Kamala Harris, a key question arises: how do elections affect markets and portfolio returns?

#### Do elections matter in the long run?

To answer this, let's look at some historical data. Surprisingly, markets have trended upward no matter which party wins the election. Since 1933, with eight Democratic presidents and seven Republican presidents, the market trend has always been upward. The key is to stay invested!

#### Landslide victory or balance in Congress?

It's not just the presidential election that matters. Markets have had good returns regardless of how Congress is composed. Since 1933, there have been 44 years in which one party controlled both the presidency and Congress, with an average return of 14.4%. Even with a divided Congress, returns were almost as good at 13.7%. And even when Congress was of the party opposed to the president, returns were still in double digits (11.7%).

#### Investor Behavior

Elections impact investor behavior. During election years, many tend to opt for lower-risk instruments. However, right after the election, equity funds tend to see the largest net inflows. This indicates that investors prefer to minimize risk during election uncertainty and reconsider riskier assets once it passes.

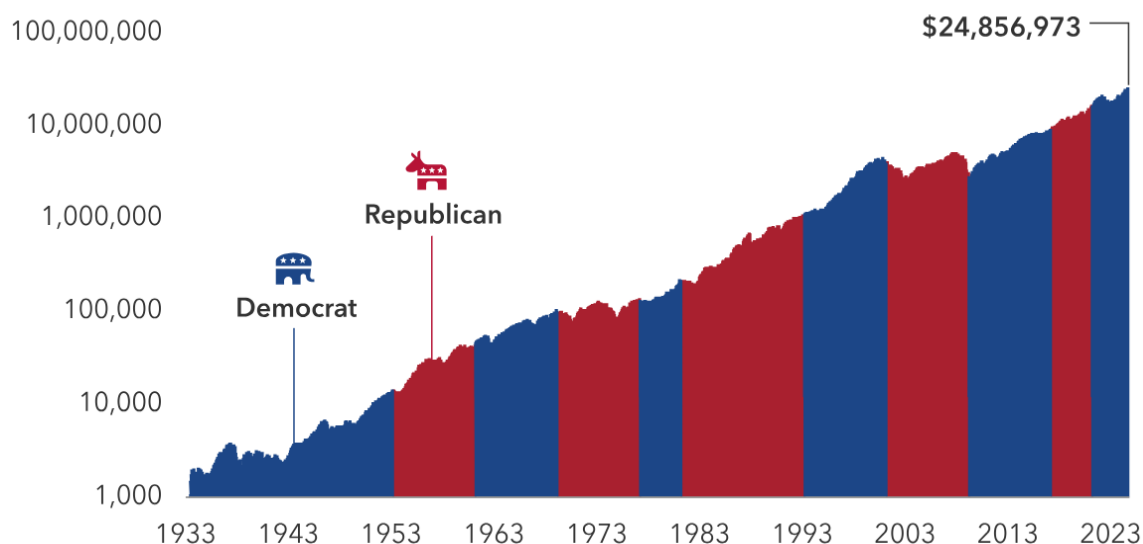
#### Changing strategy during these years can limit long-term portfolio returns.

The history is clear: those who stayed on the sidelines during election years performed worse on 17 occasions, and better on only 3. In contrast, those who stayed invested or made monthly contributions achieved higher average balances.

#### Conclusion

Although presidential elections can influence market behavior in the short term, staying invested for the long term has proven to be a winning strategy.

*Hypothetical historical growth of a US\$1,000 investment in the S&P 500*



**Note:** Party control dates are based on opening dates. Values are based on total returns in USD.

## Currencies

	Price	5D Change%	5D Close	YTD%	52 Week High	52 Week Low
<b>EUR/USD</b>	1.09	-0.15	1.09	-1.57	1.11	1.04
<b>USD/ARS</b>	928.79	-0.47	924.37	-12.95	929.50	273.01
<b>USD/BRL</b>	5.64	-0.77	5.60	-13.90	5.70	4.70
<b>USD/MXN</b>	18.41	-1.94	18.05	-7.79	18.99	16.26
<b>USD/COP</b>	4012.88	0.57	4037.56	-3.98	4403.33	3738.25
<b>USD/CHF</b>	0.88	0.71	0.89	-4.67	0.92	0.83
<b>GBP/USD</b>	1.29	-0.36	1.29	1.08	1.30	1.20
<b>USD/JPY</b>	153.94	2.29	157.48	-8.39	161.95	138.07
<b>USD/CNY</b>	7.25	0.27	7.27	-2.07	7.35	7.09

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	5.08
<b>SOFR 3M</b>	5.26	-8	5.43	5.26
<b>North America</b>				
<b>US</b>	4.20	32	5.02	3.78
<b>Canada</b>	3.32	21	4.29	3.02
<b>LatAm</b>				
<b>Argentina (ARS)</b>	70.87	77	116.19	68.09
<b>Brazil (BRL)</b>	12.21	184	12.33	10.29
<b>Colombia (COP)</b>	10.82	87	12.31	9.56
<b>Mexico (MXN)</b>	9.98	102	10.36	8.82
<b>Europe</b>				
<b>France (EUR)</b>	3.12	56	3.60	2.40
<b>Germany (EUR)</b>	2.40	38	3.03	1.89
<b>Italy (EUR)</b>	3.76	6	5.05	3.46
<b>Spain (EUR)</b>	3.23	24	4.13	2.81
<b>Swiss (CHF)</b>	0.52	-19	1.23	0.52
<b>England (GBP)</b>	4.08	55	4.75	3.43

Source: Bloomberg

## Commodities

Commodity	Price	5D Change%	YTD %	52 Week High	52 Week Low	Units
<b>Aluminum</b>	2,229.12	-5.07	-5.20	2,759.00	2,071.00	Tons
<b>Copper</b>	411.00	-2.58	5.64	519.85	351.95	Pounds
<b>Gold</b>	2,380.20	-0.79	14.89	2,488.40	1,809.40	Troy Ounce
<b>Silver</b>	27.74	-4.63	15.17	32.50	20.85	Troy Ounce
<b>Crude Oil (Brent)</b>	81.44	-1.44	5.71	97.69	72.29	Barrel
<b>Crude Oil (WTI)</b>	77.41	-3.39	8.04	95.03	67.71	Barrel
<b>Gasoline</b>	246.04	0.41	17.02	299.36	196.72	Gallon
<b>Natural Gas</b>	2.03	-4.61	-19.25	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		

## 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](http://www.activestwm.com)