

APRIL 15, 2024

**Worrying Acceleration of Inflation**

The Consumer Price Index (CPI) in the United States accelerated unexpectedly in March. Following this news, the futures market discarded the possibility of a rate cut in June, now only anticipating two cuts this year. There is particular concern for the service inflation excluding housing ("Supercore"), which grew at an annualized rate of 8.2% over the last three months. Additionally, oil prices reached their highest level in six months due to geopolitical tensions, contributing to increased inflationary pressure. Consequently, Treasury bond rates also rose, with the ten-year rate surpassing 4.5%. The European Central Bank (ECB) held rates steady, though it anticipates cuts by June, getting ahead of the Fed. This led the euro to its lowest level in a year. The earnings season began with some banks reporting lower than expected. This week, Goldman Sachs, Morgan Stanley, and Netflix are due to report.

**Inflation Surprises to the Upside.** Inflation is not moving in the direction the Fed was aiming for. The CPI rose by 0.4% month-over-month in March, consistent with the previous month's figure but higher than the consensus of 0.3%. On a y/y basis, the rate was 3.5%, exceeding both February's 3.2% and the expected 3.4%. The rise in energy significantly contributed to the acceleration of inflation, as did the supercore inflation, which climbed 4.8% y/y and 8.2% annualized over the last three months. The futures market's response was a drastic reduction in the likelihood of a rate cut in June, from nearly 50% the previous week to less than 20%, with fewer cuts expected in 2024. Now, fewer than two 25-basis-point cuts are anticipated, compared to nearly four a week ago and more than six by the end of last year.

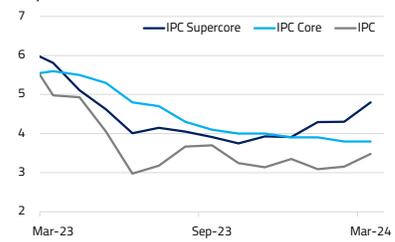
**European Central Bank Decided to Cut in June.** After keeping rates unchanged at its last meeting, the ECB suggested it is ready to start cutting rates in June. This is due to the slowing inflation, which is approaching the 2% target, and to anemic economic growth. Thus, the ECB would be preempting the Fed's cuts, which led to the euro reaching its lowest level in a year.

**Disappointments in the First Quarter's Initial Results.** The earnings season started with disappointing results for Citi, Wells Fargo, and JPM. This week, results from 40 companies are expected, half of them financial, and the beginning of reports from major tech companies, with Netflix reporting on Thursday. The expected earnings growth for the first quarter of 2024 is 3% y/y.

	Weekly Close	Last Week	Year To Date
S&P 500	5.123	(1,5)	7,9
Dow Jones	37.983	(2,4)	1,3
NASDAQ	16.175	(0,4)	8,0
Stoxx 600	505	(0,3)	5,5
Shanghai	3.476	(2,6)	1,3
Bovespa	125.946	(0,7)	(6,1)
Merval	1.185	2,1	23,2
Brent	90,5	(0,8)	17,4
Gold	2.344,4	0,6	13,6
EUR/USD	1,06	(1,8)	(3,6)
DXY	106,0	1,7	4,6
2Y Treas.	4,90	15	47
10Y Treas.	4,52	12	65
30Y Treas.	4,63	8	67

**Inflation in the US Accelerated**

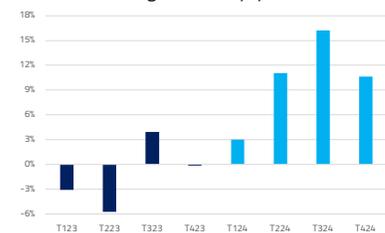
Inflation Measured by CPI, Core, and Supercore



Source: US Bureau of Labor Statistics

**High Expectations, Weak Start.**

S&P 500 Earnings Growth y/y (%)



Source: Yardeni

**WEEKLY RETURNS**
**Variations Expressed in %**

Name	Price	5D	1M	3M	YTD	1Year	Max 52w	Min 52w	Var Max 52w	Var Min 52w
<b>Equity</b>										
S&P 500	5.123	(1,5)	0,2	7,5	7,9	25,8	5.254	4.056	(2,5)	26,3
Nasdaq 100	16.175	(0,4)	1,3	8,2	7,8	33,4	16.442	11.799	(1,6)	37,1
DJIA	37.983	(2,4)	(1,8)	1,5	1,3	14,5	39.807	32.418	(4,6)	17,2
Russell 2000	10.726	(2,9)	(1,7)	3,0	(0,8)	14,2	11.373	8.700	(5,7)	23,3
MSCI ACWI	411	(1,4)	(0,1)	6,1	5,8	18,9	420	335	(2,2)	22,5
MSCI ACWI EX US	298	(1,0)	(0,6)	3,9	2,8	8,7	304	253	(1,9)	18,0
MSCI EM	546	(0,3)	0,9	5,1	2,3	6,9	555	473	(1,5)	15,4
Argentina: Merval (CCL)	1.185	2,1	19,0	33,2	23,2	65,6	1.201	647	(1,4)	83,2
MSCI Brazil	564	(2,2)	(3,0)	(9,3)	(10,9)	14,7	637	462	(11,5)	21,9
MSCI México	56.566	(2,5)	0,7	1,9	(1,2)	7,4	58.712	48.198	(3,7)	17,4
MSCI ASIA	631	(0,1)	1,0	6,7	3,3	5,8	641	547	(1,6)	15,4
MSCI ASIA EX JAPAN	528	(0,3)	0,5	5,7	2,3	3,3	537	464	(1,6)	13,8
MSCI CHINA	3.476	(2,6)	(3,2)	4,8	(0,6)	(17,4)	4.162	3.180	(16,5)	9,3
S&P BSE Sensex	890	(0,2)	1,6	1,9	2,7	22,1	900	714	(1,1)	24,6
Stoxx 600	505	(1,8)	(1,9)	3,6	2,4	7,9	513	430	(1,4)	17,6
<b>Fixed Income</b>										
<b>US</b>										
US Bloomberg Agg	2.108	(0,7)	(0,8)	(2,2)	(2,5)	(0,1)	2.169	1.978	(2,8)	6,5
US High Yield	2.490	(0,6)	(0,4)	0,5	0,4	9,0	2.517	2.257	(1,1)	10,3
Global Agg	454	(1,0)	(1,4)	(2,7)	(3,7)	(1,4)	473	429	(4,0)	5,8
Global High Yield	428	(0,8)	(0,8)	0,3	0,2	8,6	433	388	(1,2)	10,2
<b>United States Treasury Bonds</b>										
FED Rate	5,33					50	5,33	4,83		50
2 Years	4,90	15	17	75	(17)	80	5,22	3,79	(33)	111
5 Years	4,56	16	57	107	20	129	4,96	3,30	(40)	126
10 Years	4,52	12	59	96	20	138	4,99	3,34	(47)	119
30 Years	4,63	8	47	72	4	116	5,11	3,66	(48)	97
<b>Currencies &amp; Commodities</b>										
Euro (USD/EUR)	1,06	(1,8)	(2,3)	(2,8)	(3,6)	(3,2)	1,12	1,05	(5,3)	1,7
Yen (JPY/USD)	153,23	(1,1)	(2,7)	(5,4)	(8,0)	(12,7)	153,27	132,58	(0,0)	15,6
Real (BRL/USD)	5,12	(1,0)	(2,4)	(5,2)	(5,1)	(4,1)	5,17	4,73	(1,0)	8,3
Uruguayano (UYU/USD)	38,79	(0,6)	(0,9)	1,1	0,1	0,4	40,06	37,38	(3,2)	3,8
Peso Argentino (ARS/USD)	1.054,18	0,1	0,9	9,5	(8,6)	(61,9)	1.335,70	396,88	(21,1)	165,6
Gold	2.344,4	0,6	8,7	14,4	13,6	17,0	2.372,5	1.820,3	(1,2)	28,8
Oil	90,45	(0,8)	6,0	15,5	17,4	4,8	96,55	71,84	(6,3)	25,9
Gas	1,77	(0,8)	6,9	(46,6)	(29,6)	(16,3)	3,58	1,58	(50,5)	12,4

Source: Bloomberg y Latin Securities

## Important Information

### Important Investor Disclosures

This report was prepared by Latin Securities S.A. Corredor de Bolsa, a broker-dealer registered at Banco Central del Uruguay (BCU) under identification number 7618. Latin Securities S.A. Corredor de Bolsa is domiciled at Dr. Gabriel Otero 6502, Montevideo, Uruguay (Tel: +26052281)

1. This report is provided for informational purposes only and does not constitute or should not be construed as an offer to buy or sell or solicitation of an offer to buy or sell any financial instrument or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date in which this report was issued and has been obtained from public sources believed to be reliable. Neither Latin Securities S.A. Corredor de Bolsa nor any of its subsidiaries and affiliates make any representation or warranty, express or implied, as to the completeness, reliability or accuracy of such information, nor is this report intended to be a complete statement or summary of the securities, markets or developments referred to herein. Opinions, estimates, and projections expressed herein constitute the current judgment of the analyst responsible for the substance of this report as of the date in which it was issued and are therefore subject to change without notice. Prices and availability of financial instruments are indicative only and subject to change without notice. Latin Securities S.A. Corredor de Bolsa has no obligation to update, modify or amend this report and informs the reader accordingly, except when terminating coverage of the companies discussed in the report.

2. The analyst responsible to produce this report hereby represents that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the subject companies or securities and were prepared independently and autonomously. Because the personal views of analysts may differ from one another, Latin Securities S.A. Corredor de Bolsa, may have issued or may issue reports that are inconsistent with, and/or reach different conclusions from, the information presented herein.

3. Equity analysts and their staff at Latin Securities S.A. Corredor de Bolsa are compensated based on a salary and bonus system. Several factors are considered in the bonus determination including quality and performance of research product, the analyst's success in rating stocks versus an industry index, and support effectiveness to trading and the retail and institutional sales forces. Other factors may include but are not limited to: overall ratings from internal (other than investment banking) or external parties and the general productivity and revenue generated in covered stocks. However, the analyst responsible for the content of this report hereby represents that no part of his or her compensation was, is, or will be directly or indirectly related to any specific recommendation or views contained herein or linked to the pricing of any of the securities discussed herein. The analyst declares that (s)he does not maintain any relationship with any individual affiliated with the companies or government and does not receive any compensation for services rendered to or have any commercial relationship with the company or any individual or entity representing the interests of the company. The analyst and any member of his/her household do not hold, directly or indirectly, more than 5% of their personal net worth in any securities issued by the companies or government analyzed in this report in his/her personal investment portfolio, nor is (s)he personally involved in the acquisition, sale or trading of such securities in the market. Neither the analyst nor any member of the analyst's household serves as an officer, director or advisory board member of the companies analyzed in this report.

4. Neither Latin Securities S.A. Corredor de Bolsa nor their employees, beneficially own 1% or more of any class of common equity securities of the companies analyzed in this report. In addition, neither Latin Securities S.A. Corredor de Bolsa nor its affiliates: (a) have managed or co-managed a public offering of securities for the companies in the past 12 months; (b) have received compensation for investment banking services from the companies in the past 12 months; or (c) expect to receive or intend to seek compensation for investment banking services from the companies within the next 3 months.

5. General Risk Factors: Following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included on Latin Securities S.A. Corredor de Bolsa research: (1) Industry fundamentals with respect to customer demand or product / service pricing could change and adversely impact expected revenues and earnings; (2) Issues relation to major competitors or market shares or new product expectations could change investor attitudes toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation; (4) External and regulatory factors that affect the Argentinean economy, interest rates, the FX rate or major segments of the economy could alter investor confidence and investment prospects; or (5) issues that could affect markets in which the covered companies operate. International Investments involve additional risks such as currency fluctuation, differing financial accounting standards, and possible political and economic instability.

6. The financial instruments discussed in this report may not be suitable for all investors. This report does not take into account the investment objectives, financial situation or particular needs of any particular investor. Investors should obtain independent financial advice based on their own particular circumstances before making an investment decision on the basis of the information contained herein. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and the reader of this report assumes any currency risk. Income from financial instruments may vary and their price or value, either directly or indirectly, may rise or fall. Past performance is not necessarily indicative of future results, and no representation or warranty express or implied, is made herein regarding future performances. Latin Securities S.A. Corredor de Bolsa does not accept any liability whatsoever for any direct or indirect or consequential claim, cost, loss or expense arising from any use of this report or its content.

7. This report is provided to clients of Latin Securities S.A. Corredor de Bolsa only for your personal, non-commercial use. Except as expressly authorized by Latin Securities S.A. Corredor de Bolsa, you may not copy, reproduce, transmit, sell, display, distribute, publish, broadcast, circulate, modify, disseminate, or commercially exploit the information contained in this report, in printed, electronic or any other form, in any manner, without the prior express written consent of Latin Securities S.A. Corredor de Bolsa. You also agree not to use the information provided in this report for any unlawful purpose.

This report and its contents are the property of Latin Securities S.A. Corredor de Bolsa and are protected by applicable copyright, trade secret or other intellectual property laws.

Additional information relative to the financial instruments discussed in this report is available upon request.