

FEBRUARY 26, 2024

**Nvidia straight to the moon**

Nvidia, whose stock surged more than any other in 2023, reported surprising results on Wednesday and announced an even brighter future, propelling the U.S. market to new highs. The minutes of the Fed's last meeting along with statements from several of its members reinforced the idea that it is in no hurry to cut rates as the economy grows and inflation is not yet overdue. In the latter vein, consumer spending inflation (PCE), to be reported on Thursday, is expected to grow monthly at the highest level in 12 months. On the other hand, Chinese stocks seem to be starting to emerge from the slump, up 10% so far this month after new measures.

**Nvidia leading the pack.** The Artificial Intelligence chip manufacturer announced extraordinary results on Thursday, with sales growth of 265% year-over-year, surpassing expectations. Additionally, it projected even greater growth for the next quarter. Following this announcement, stocks surged by 16%, the largest single-day increase in history. This significantly contributed to the S&P500, which has been accumulating strong gains for the month, reaching new highs.

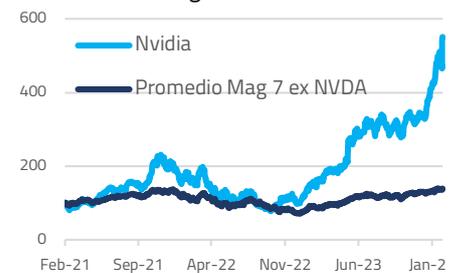
**No rush for cuts.** During the week, comments from Fed members and the minutes of the last meeting cemented the idea that rate cuts would be slow in coming. This prompted an increase in the 10-year Treasury bond rate to 4.30% and to 4.70% for the 2-year. Analysts now expect the first cut in June and a total cut of 85 basis points for the year, in line with Fed estimates. This is due to the strong performance of economic activity, low unemployment levels, and stubborn inflation. Core PCE inflation for January, to be reported on Thursday, is expected at 0.4% m/m, the highest in 12 months. The annualized average for the last 6 months would rise to 2.4% after two months below 2%.

**The Chinese stock market comes out of the pit.** The MSCI China index rose 3% this week, accumulating 10% in the month. The market is buoyed by increased willingness from authorities to address the situation. After weak tourism spending data during the New Year, the authorities implemented new measures to revitalize the real estate sector. Mortgage rates were reduced by 25 basis points, the largest cut in history and the first since June 2023. While seeking to attract more homebuyers, the impact of the cut in the five-year lending rate would not appear to be sufficient, as it does not stimulate buyers amid falling prices.

	Weekly Close	Last Week	Year to Date
S&P 500	5.089	1,7	6,9
Dow Jones	39.132	1,3	4,1
NASDAQ	15.997	1,4	6,7
Stoxx 600	497	1,2	3,8
Shanghai	3.490	3,7	1,7
Bovespa	129.419	0,5	(3,6)
Merval	977	3,1	1,6
Brent	81,6	(2,2)	5,9
Gold	2.035,4	1,1	(1,3)
EUR/USD	1,08	0,4	(2,0)
DXY	103,9	(0,3)	2,6
2Y Treas.	4,69	5	26
10Y Treas.	4,25	(3)	37
30Y Treas.	4,37	(7)	41

**Nvidia, the best of the best.**

Nvidia vs. the Magnificent 7



Source: Bloomberg

**Chinese stock market emerging from the pit.**

MSCI China Price last 6 months



Source: Bloomberg

**WEEKLY RETURNS**
**Fluctuations expressed in USD – Total Returns**

Name	Price	5D	1M	3M	YTD	1 year	Max 52w	Min 52w	Var Max 52w	Var Min 52w
<b>Equity</b>										
S&P 500	5.089	1,7	4,2	12,0	<b>6,9</b>	30,2	5.089	3.856		32,0
Nasdaq 100	15.997	1,4	3,6	12,5	<b>6,6</b>	40,4	16.042	11.139	(0,3)	43,6
DJIA	39.132	1,3	2,9	11,1	<b>4,1</b>	21,8	39.132	31.819		23,0
Russell 2000	10.772	(0,8)	2,0	12,0	<b>(0,4)</b>	8,4	11.015	8.700	(2,2)	23,8
MSCI ACWI	407	1,5	3,8	10,3	<b>4,9</b>	23,3	407	322		26,4
MSCI ACWI EX US	296	1,3	3,3	7,3	<b>1,8</b>	13,3	296	253		16,8
MSCI EM	537	1,2	4,5	5,2	<b>0,6</b>	8,6	542	473	(0,9)	13,4
Argentina: Merval (CCL)	977	3,1	(3,1)	10,5	<b>1,6</b>	37,8	1.009	555	(3,1)	76,1
MSCI Brazil	600	0,2	(0,5)	2,3	<b>(5,2)</b>	28,0	637	428	(5,8)	40,2
MSCI México	56.660	(0,8)	(0,3)	7,5	<b>(1,3)</b>	11,4	58.712	48.198	(3,5)	17,6
MSCI ASIA	617	1,6	5,6	5,1	<b>1,0</b>	6,4	626	547	(1,4)	12,8
MSCI ASIA EX JAPAN	520	1,4	5,3	4,6	<b>0,6</b>	4,7	533	464	(2,5)	11,9
MSCI CHINA	3.490	3,7	4,4	(1,9)	<b>0,3</b>	(14,8)	4.162	3.180	(16,2)	9,8
S&P BSE Sensex	882	1,1	3,8	11,6	<b>1,7</b>	24,3	884	694	(0,3)	27,1
Stoxx 600	497	1,7	2,5	7,3	<b>1,9</b>	15,3	497	430		15,8
<b>Fixed Income</b>										
<b>US</b>										
US Bloomberg Agg	2.124	0,3	(0,5)	3,2	<b>(1,8)</b>	3,5	2.169	1.978	(2,1)	7,4
US High Yield	2.487	0,4	0,3	5,0	<b>0,3</b>	11,5	2.487	2.212		12,4
Global Agg	459	0,4	(0,4)	2,5	<b>(2,7)</b>	3,3	473	429	(3,0)	6,9
Global High Yield	428	0,5	0,4	5,0	<b>0,4</b>	11,7	428	380		12,7
<b>Bonos Tesoro Americano</b>										
Tasa FED	5,33					75	5,33	4,57		76
2 años	4,69	5	34	(26)	<b>(33)</b>	(12)	5,22	3,77	(53)	92
5 Años	4,28	1	65	20	<b>28</b>	47	4,96	3,30	(68)	98
10 Años	4,25	(3)	55	22	<b>45</b>	75	4,99	3,31	(74)	94
30 Años	4,37	(7)	32	9	<b>39</b>	76	5,11	3,55	(74)	82
<b>Currencies &amp; Commodities</b>										
Euro (USD/EUR)	1,08	0,4	(0,3)	(1,1)	<b>(2,0)</b>	2,6	1,12	1,05	(3,7)	3,4
Yen (JPY/USD)	150,51	(0,2)	(1,6)	(0,7)	<b>(6,3)</b>	(9,3)	151,72	130,73	(0,8)	15,1
Real (BRL/USD)	4,99	(0,6)	(1,7)	(1,8)	<b>(2,7)</b>	4,1	5,30	4,73	(5,8)	5,7
Peso Uruguayo (UYU/USD)	39,09	0,1	(0,3)	0,4	<b>(0,6)</b>	(0,2)	40,06	37,38	(2,4)	4,6
Peso Argentino (ARS/USD)	1.130,43	(1,3)	9,1	(12,3)	<b>(14,7)</b>	(68,0)	1.335,70	362,16	(15,4)	212,1
Oro	2.035,4	1,1	0,8	1,7	<b>(1,3)</b>	12,4	2.077,5	1.811,0	(2,0)	12,4
Oil	81,62	(2,2)	(2,3)	1,3	<b>5,9</b>	(1,9)	96,55	71,84	(15,5)	13,6
Gas	1,60	(0,4)	(40,9)	(43,9)	<b>(36,2)</b>	(34,6)	3,58	1,58	(55,2)	1,7

Fuente: Bloomberg y Latin Securities

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