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MACRO OUTLOOK – Q2 2024

	REGION	OUTLOOK - N +	COMMENTARY
EQUITIES	US		We believe that the decline in inflation and the upcoming interest rate cuts can support the trend. In macroeconomic terms, in addition to being the country that has been performing the best, it is the one that has been attracting the highest number of analysts with positive sentiment. We believe that beneficiaries of artificial intelligence can still profit as long as earnings growth appears solid.
	EUROPE		The ECB is maintaining its strict policy amid a still-controlled economic slowdown. Valuations remain attractive, and stimulus on the Chinese economy serves as a boost due to being a significant trading partner. However, we remain cautious based on sentiment, given that the region is in the spotlight of geopolitical risks.
	CHINA		Although greater stimulus has been observed from the government, which may help stabilize activity, structural challenges such as population aging and geopolitical risks persist, keeping international investors at bay.
	ASIA		Despite attractive valuations, as long as Chinese activity does not consistently accelerate, we maintain a neutral recommendation on the region. In this way, we are not increasing our position, but we emphasize that we like Asia as a way to invest in markets with excellent prospects and a high global demand environment, without having direct exposure to a particular country/economy.
	EMERGING		A pesar de las valuaciones atractivas, mientras la actividad china no se acelere de manera consistente, mantenemos una recomendación neutral sobre la región. De esta manera, no estamos aumentando nuestra posición, pero enfatizamos que nos gusta Asia como una forma de invertir en mercados con excelentes perspectivas y un entorno de alta demanda global, sin tener exposición directa a un país/economía particular.
FIXED INCOME	10 Yr TREASURY		We maintain the recommendation based on the lack of credit spreads in its various regional and quality segments. However, it is important to manage exposure to duration according to the client's risk profile and tolerance for volatility, as we are facing a period of high volatility in interest rates as market expectations and central bank actions balance.
	HIGH GRADE		The strength of corporate balance sheets continues to support credit for high-quality companies, which can serve as a hedge to navigate a potential slowdown in the global economy. We recommend a tactical approach to duration management, considering that sentiment will be guided by the inflation/growth equation, driving yields in different directions.
	HIGH YIELD		The spreads are tight, but we like the level of total yield and potential short-term rebounds. We are very selective at the credit level, as we understand that there is still room for spread widening. In this regard, opportunities are seen in the higher quality segment (BB) and short duration, aiming to predict the debt repayment capacity.
	EMERGING		We continue to see attractiveness in emerging market debt, although we prefer it in dollars due to its relative value and credit quality. Additionally, it is also protected from weakening local currencies as central banks reduce interest rates. Nevertheless, it may be appealing for those clients who are willing to accept some more volatility in search of better opportunities.
OTHERS	COMMODITIES		Commodities remain an important part of asset allocation due to their dual function as a safe haven and growth engine. On one hand, commodities like gold offer security in times of geopolitical risk, while others, such as industrial commodities, drive economic growth.
	CASH		Despite the discrepancy between market expectations and the Fed's projections, experience shows us that during different interest rate hike cycles, the ability to switch to credit instruments or longer-term bonds is key to mitigating the risk of reinvestment at lower rates.

Current

Previous (if any changes)