

The GDPNow for 1Q23 was updated, falling to 1.70% GDP, a 47.1% decrease, ISM Manufacturing fell to 46.30, and Wall Street closes mixed.

April 3, 2023

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The U.S. & European Stock markets began the week quite timidly to end the session with mixed results; the big winner was the Dow Jones, which rose 327 points, followed by the S&P 500, which rose 15.20 points, and the Nasdaq fell -32.45 points.

There were no significant issues today, except the surprising OPEC Oil production cut, which took markets unprepared, taking prices higher. Thankfully there was no big bank news which left investors and markets focusing on the broader macroeconomic data, inflation, monetary policy, and the resulting impact on economic growth during the year; on that note, the GDPNow forecast fell again today to 1.70% GDP for the First Quarter of 2023 down 47.1% from 2.50% on March 31 and down 88.1% from 3.20% on March 24, 2023.

Also today, the U.S. Construction Spending MoM report showed that it fell to -0.07%, and the U.S. ISM Manufacturing PMI fell to 46.30, showing weakness in construction and manufacturing, two key economic sectors. ISM Manufacturing is a leading economic indicator for the manufacturing industry, and a reading below 50 indicates a contraction.

The OPEC+ members announced a surprise cut of its oil production that may reach north of one million barrels per day commencing in May. The most significant production decreases come from Russia, Saudi Arabia, UAE, and Kuwait, among other lesser producers.

While the markets continue like riding an "Unbroken Pony," we think the U.S. economy may continue growing despite the current headwinds and crisis. Also, with inflation beginning to moderate, as shown with the Fed's preferred inflation benchmark, the Personal Consumption Expenditures falling to 5.00%, decreasing 6.54%, and the Core PCE fell to 4.60%; the better-than-anticipated inflation data gave the markets lift and allowing investors to consider a better tomorrow.

Investors can take advantage of the volatility and much reduced prices on some stocks to add opportunistic investments to their portfolios to realize sizable upside.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated on 4/3/23, falling to 1.70% GDP from 2.50% GDP, a 47.1% decrease.

Key Economic Data:

- **U.S. Construction Spending MoM:** fell to -0.07%, compared to 0.38% last month.
- **U.S. ISM Manufacturing PMI:** fell to 46.30, down from 47.70 last month, down-2.94%.
- **U.S. ISM Manufacturing New Orders Index:** fell to 44.30, down from 47.00 last month, decreasing -5.74%.

- **U.S. ISM Manufacturing Employment Index:** fell to 46.90, down from 49.10 last month, dropping -4.48%.
- **U.S. ISM Manufacturing Prices Paid Index:** fell to 49.20, down from 51.30 last month, declining -4.09%.
- **U.S. Retail Gas Price:** fell to \$3.533, down from \$3.534 last week, decreasing -0.03%.

Puerto Rico COVID-19 Update April 3:

- Daily Cases: 52
- Positivity Rate: 9.78%
- Hospitalizations: 61
- Deaths: 1
- Source P R. Department of Health.

Eurozone Summary for April 3:

- Stoxx 600 closed at 457.20, down 0.54 points or 0.12%.
- FTSE 100 closed at 7,673.00, up 41.26 points or 0.54%.
- Dax Index closed at 15,590.92, down 47.02 points or 0.31%.

Wall Street Summary for April 3:

- Dow Jones Industrial Average closed at 33,601.15, up 327.00 or 0.98%.
- S&P 500 closed at 4,124.51, up 15.20 points or 0.51%.
- Nasdaq Composite closed at 12,189.45, down 32.44 points or 0.27%.
- Birling Capital Puerto Rico Stock index closed at 2,355.91, up 75.39 points or 3.31%.
- Birling Capital U.S. Bank Stock Index closed at 3,569.60, up 47.29 points or 1.34%.
- U.S. Treasury 10-year note closed at 3.43%.
- U.S. Treasury 2-year note closed at 3.97%.

GDPNow Update 4/3/23

Date	GDPNow 1Q23	Change
1/27/23	0.70%	Initial Forecast
2/1/23	2.10%	200.0%
2/8/23	2.20%	4.5%
2/15/23	2.40%	8.3%
2/16/23	2.50%	4.0%
2/24/23	2.70%	7.4%
2/27/23	2.80%	3.6%
3/1/23	2.30%	-21.7%
3/7/23	2.00%	-15.0%
3/8/23	2.60%	23.1%
3/15/23	3.20%	18.8%
3/16/23	3.20%	0.0%
3/24/23	3.20%	0.0%
3/31/23	2.50%	-28.0%
4/3/23	1.70%	-47.1%

US Construction Spending, US ISM Manufacturing PMI, US ISM Manufacturing New Orders, US ISM Manufacturing Employment Index, US ISM Manufacturing Prices Paid & US Retail Gas Prices

- US Construction Spending MoM
- US ISM Manufacturing PMI
- US ISM Manufacturing New Orders Index
- US ISM Manufacturing Employment Index
- US ISM Manufacturing Prices Paid Index
- US Retail Gas Price

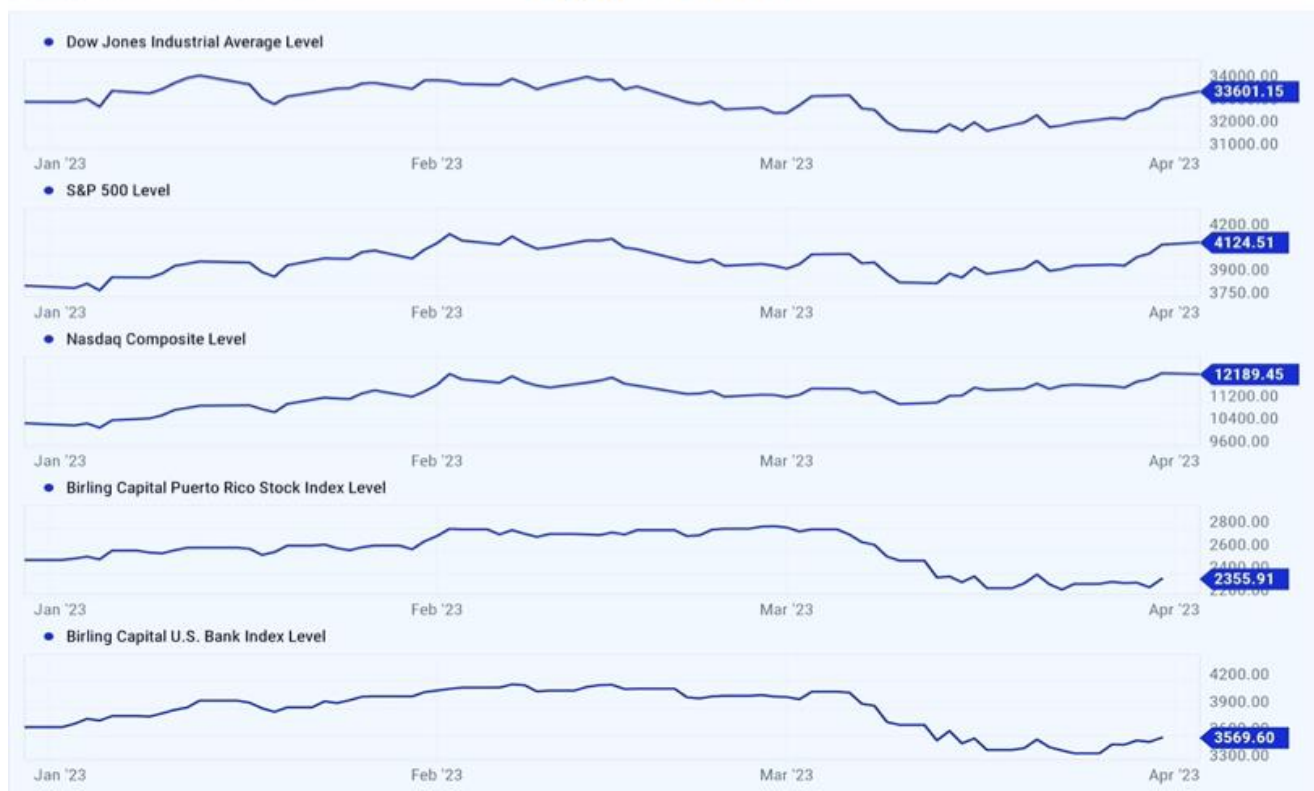




Wall Street Recap

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