

**Jobless claims fell 239,000, below consensus estimates of 240,000; the 30-year mortgage rate rose to 7.04%, and Wall Street fell.**

**August 17, 2023**

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The U.S. and European stock markets closed down again today as investors are focusing that the Fed could avoid a recession by delivering a soft landing by maintaining rates higher for longer to curb inflation,

Consequently, the U.S. Treasury yields on long-term debt were close to hitting their highest level since 2007, the best evidence that the economy could continue growing as shown in the latest GDPNow forecast that rose to 5.8%, increasing 13.80%.

In economic news, the 30-year mortgage rate rose to 7.04%, closer to the long-term average of 7.74%, just 70 basis points away. Additionally, the Jobless claims fell 239,000, slightly below consensus estimates of 240,000 and 4.40% lower than last week, the latest sign that the U.S. jobs market is proving to be quite resilient of resilience, with unemployment near 3.5%, near multidecade lows.

The strong sales growth, inflation trending down, and a solid labor market support the U.S. economic growth.

As we discussed yesterday, members of the FOMC indicated that they see an upside risk to inflation, which may require the Fed to tighten monetary policy further; however, from our view, the jury is still out on increasing rates further.

#### **Key Economic Data:**

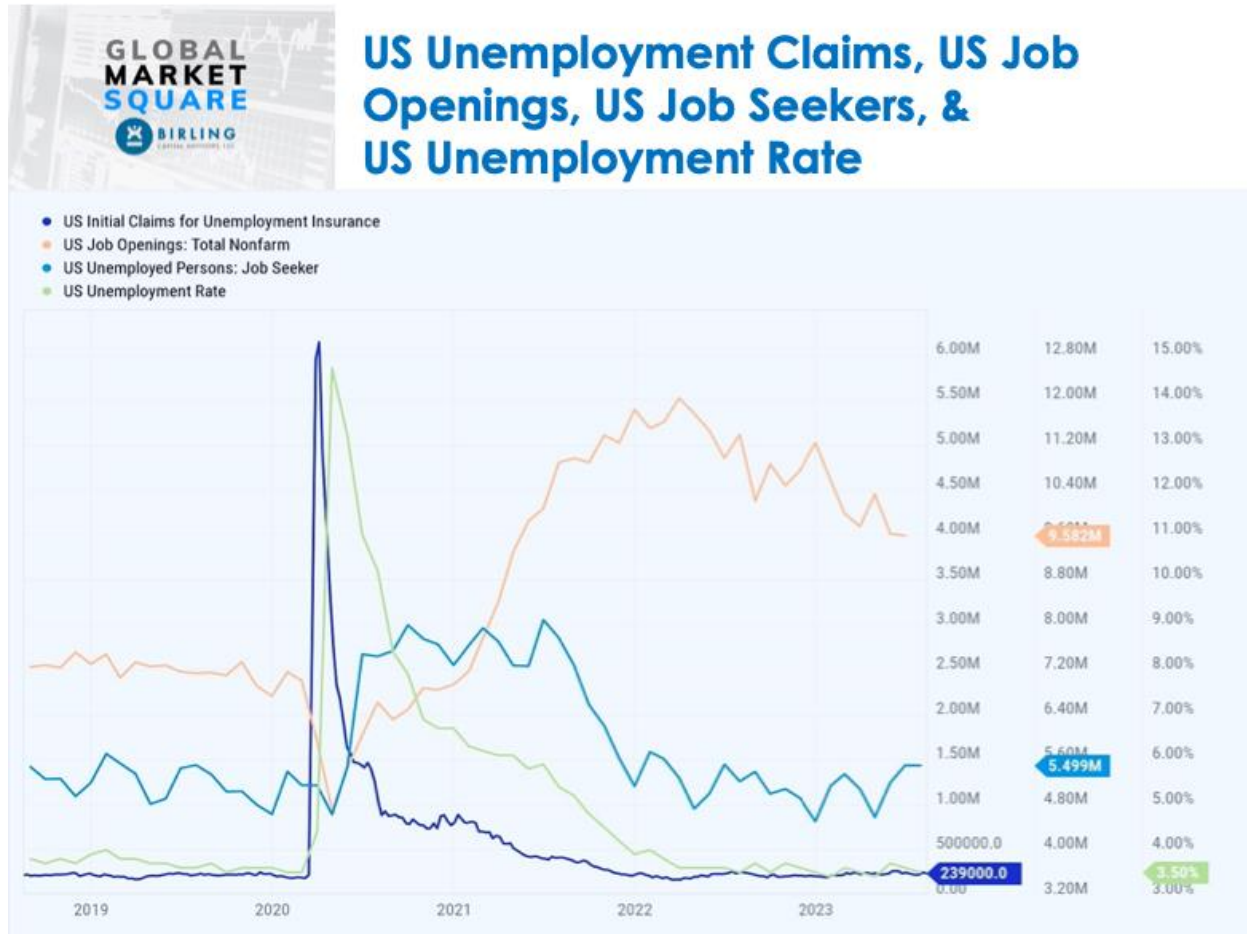
- **U.S. Initial Claims for Unemployment:** fell to 239,000, down from 250,000 last week, decreasing - 4.40%.
- **U.S. 4-Week Moving Average of Initial Claims for Unemployment:** rose to 234,250, up from 231,500 last week, increasing 1.19%.
- **30-Year Mortgage Rate:** rose to 7.09%, compared to 6.96% last week, getting closer to the long-term average of 7.74%.
- **Japan Consumer Price Index YoY:** rose to 3.30%, compared to 3.20% last month.

#### **Eurozone Summary:**

- **Stoxx 600** closed at 451.12, down 4.17 points or 0.92%.
- **FTSE 100** closed at 7,310.21, down 48.67 points or 0.63%.
- **Dax Index** closed at 15,676.90, down 112.55 points or 0.71%.

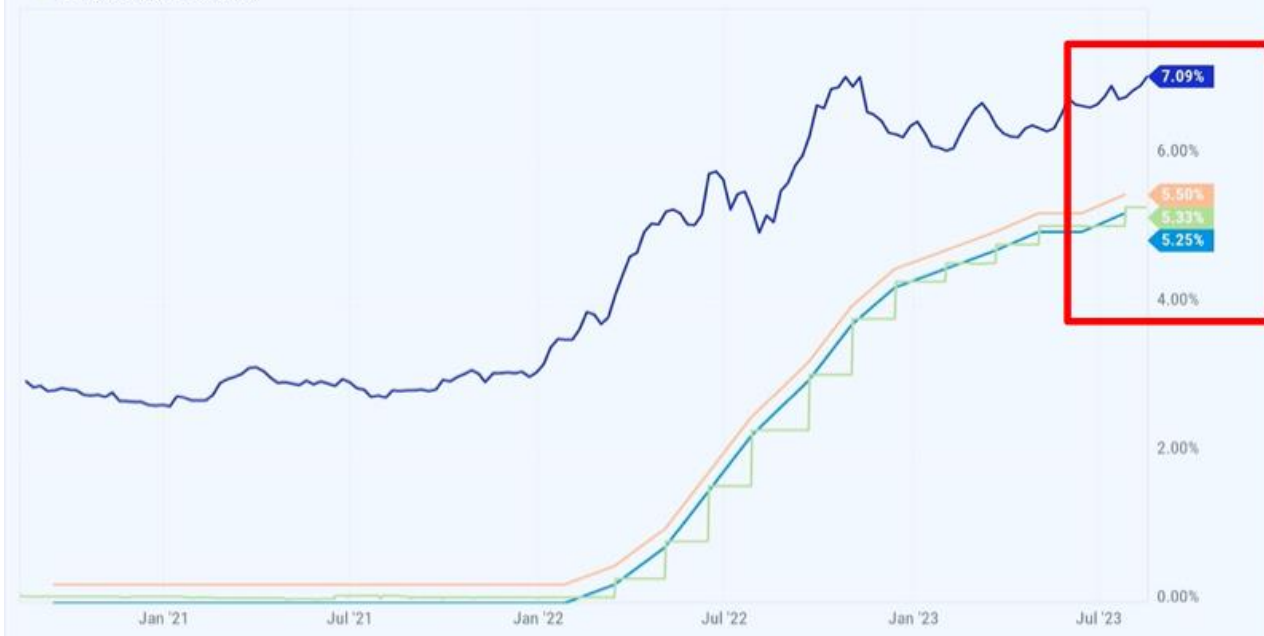
## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,474.83, down 290.01 points or 0.84%.
- **S&P 500** closed at 4,370.36, down 33.97 points or 0.77%.
- **Nasdaq Composite** closed at 13,316.93, down 157.70 points or 1.17%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,874.28, down 28.06 points or 0.97%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,735.62, down 39.10 points or 1.04%.
- **U.S. Treasury 10-year note** closed at 4.30%.
- **U.S. Treasury 2-year note** closed at 4.94%.



## 30-Year Mortgage Rate, Target Federal Funds Rate Upper Limit, Target Federal Funds Rate Lower Limit & Effective Fed Funds Rate

- 30 Year Mortgage Rate
- Target Federal Funds Rate Upper Limit
- Target Federal Funds Rate Lower Limit
- Effective Federal Funds Rate





# Wall Street Recap

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