

Global Markets Retreat as Investors Rethink Rate Cut Expectations and Moody's Cuts China's Credit Outlook to Negative.

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The U.S. and European stock markets closed mostly down following a week of new highs, as the markets are pulling back for the second consecutive trading session.

While the fundamentals remain unchanged, investors question whether the market interest rate cut expectations for early 2024, which may have been too optimistic; however, today, the Job Openings report provides the best indication of cracks in the U.S. labor market resiliency.

As we cover below, European markets closed mixed. Still, Asian markets are down following Moody's Investor Services, changing China's Government Credit outlook from stable to negative while affirming the nation's A1 long-term local and foreign-currency issuer and senior unsecured ratings.

The outlook change is due to the increasing evidence that financial support is to be provided by the government public sector to financially stressed regional and local governments and other State-Owned Enterprises (SOEs), posing stern downside risks to China's fiscal, economic, and institutional strength.

In economic news, investors are reacting to the JOLTS job-openings data ahead of the November employment report this Friday. U.S. Job Openings fell sharply to 8.733 million for the month, a decline of 617,000 and a much more significant drop from the 9.33 million consensus estimates. The reading turned out to be the lowest level since March 2021 and more than 27.40% from its high of 12.03 million in March 2022.

Key Economic Data:

- **U.S. Job Openings: Total Nonfarm:** fell to 8.733 million, down from 9.35 million last month, decreasing to 6.60%.
- **U.S. Recession Probability:** rose to 51.84%, compared to 46.11% last month.
- **U.S. ISM Services PMI:** rose to 52.70, up from 51.80 last month, increasing 1.74%.
- **U.S. ISM Services New Orders Index:** It is unchanged at 55.50 from 55.50 last month.
- **U.S. ISM Services Employment Index:** rose to 50.70, up from 50.20 last month.
- **U.S. ISM Services Prices Paid Index:** fell to 58.30, down from 58.60 last month.

Eurozone Summary:

- **Stoxx 600** closed at 467.62, up 1.84 points or 0.40%
- **FTSE 100** closed at 7,489.84, down 23.12 points or 0.31%.
- **Dax Index** closed at 16,533.11, up 128.35 points or 0.78%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 36,124.56, down -79.88 points or 0.22%.
- **S&P 500** closed at 4,567.18, down -2.60 points or 0.06%.
- **Nasdaq Composite** closed at 14,229.91, up 44.42 points or 0.31%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,163.34, up 38.99 points or 1.25%.
- **Birling Capital U.S.U.S. Bank Stock Index** closed at 3,977.46, up 9.70 points or 0.24%.
- **U.S.U.S. Treasury 10-year note** closed at 4.18%.
- **U.S.U.S. Treasury 2-year note market** closed at 4.57%.



US Job Openings: Total Nonfarm & US Unemployed Persons: Job Seekers



US Recession Probability, US ISM Services PMI, US ISM Services New Orders, US ISM Service Employment Index & US ISM Services Prices Paid

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● US Recession Probability (I:USRPEM)	VAL
● US ISM Services PMI (I:ISMNMI)	52.70
● US ISM Services New Orders Index (I:ISMNMNOI)	55.50
● US ISM Services Employment Index (I:ISMNMEI)	50.70
● US ISM Services Prices Paid Index (I:ISMNMPI)	58.30

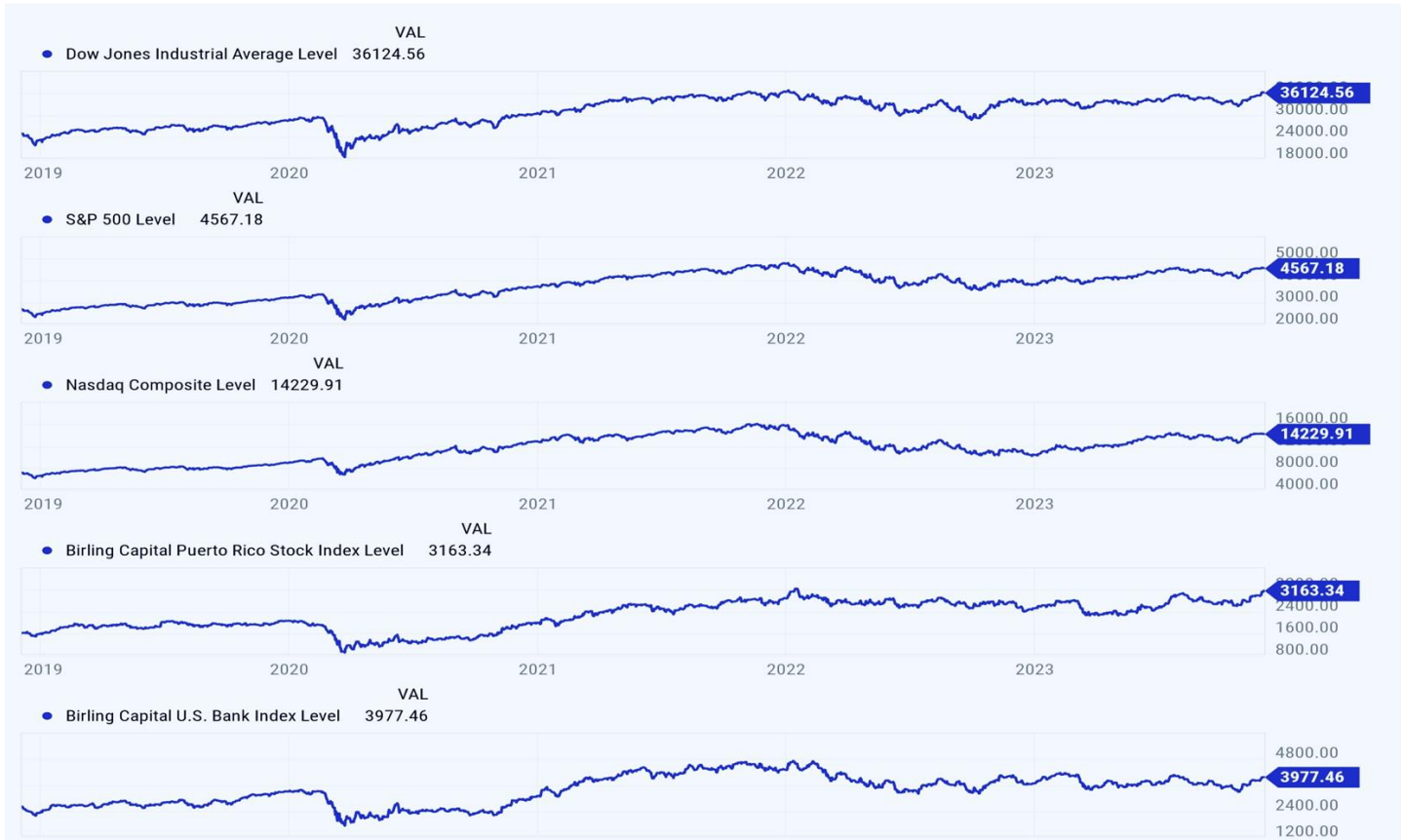




Wall Street Recap

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