

ADP Employment Change rises 86.14%, U.S. ISM Services PMI rises to 53.90, and Wall Street falls.

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The U.S. and European stock markets closed with more losses after a surprisingly strong decrease in job openings that reached 496,000, a significant rise in the ADP employment change rising to 497,000, an 86.14% increase, and U.S. ISM Services PMI rose to 53.90.

On the flip side, unemployment claims rose to 248,000, up 5.08%, and the 30-year mortgage rate rose to 6.81%.

With its outsize increase, the ADP employment change report drove bond yields higher and fueled expectations that interest rates would remain higher for much longer.

However, it's important to note that the real test is Friday's U.S. Total Nonfarm Jobs report. Also, consider that ADP employment change is less reliable as it is based on data collected from the payrolls processed by ADP. The data includes only the payrolls processed by ADP, which covers around 20% of U.S. private-sector employment. This limited sample size can lead to significant deviations from the actual employment figures reported by the U.S. government.

The consensus estimates for Friday's jobs report is 240,000 new jobs, 100,000 less than last month.

GDPNow Update:

- The GDPNow for the second quarter of 2023 was updated on 7/6/23, rising to 2.10% GDP from 1.90%, a 10.50% increase.

Key Economic Data:

- **U.S. Initial Claims for Unemployment:** increased to 248,000, versus 236,000 last week, rising 5.08%.
- **U.S. Job Openings Total Nonfarm:** fell to 9.824 million, down 10.32 million, dropping -4.81%.
- **ADP Employment Change:** rose to 497,000, up from 267,000 last month, increasing 86.14%.
- **ADP Median Pay YoY:** fell to 6.40%, compared to 6.60% last month.
- **U.S. Trade Balance on Goods:** fell to -91.26B, up from -96.02B last month.
- **U.S. ISM Services PMI:** rose to 53.90, up from 50.30 last month, increasing 7.16%.
- **U.S. ISM Services Employment Index:** rose to 53.10, up from 49.20 last month, rising 7.93%.
- **U.S. ISM Services New Orders Index:** rose to 55.50, up from 52.90 last month, increasing 4.91%.
- **U.S. ISM Services Prices Paid Index:** fell to 54.10, down from 56.20 last month, dropping -3.74%.
- **30-Year Mortgage Rate:** rose to 6.81%, compared to 6.71% last week.
- **Eurozone Retail Trade YoY:** is at -2.80%, compared to -2.90% last month.

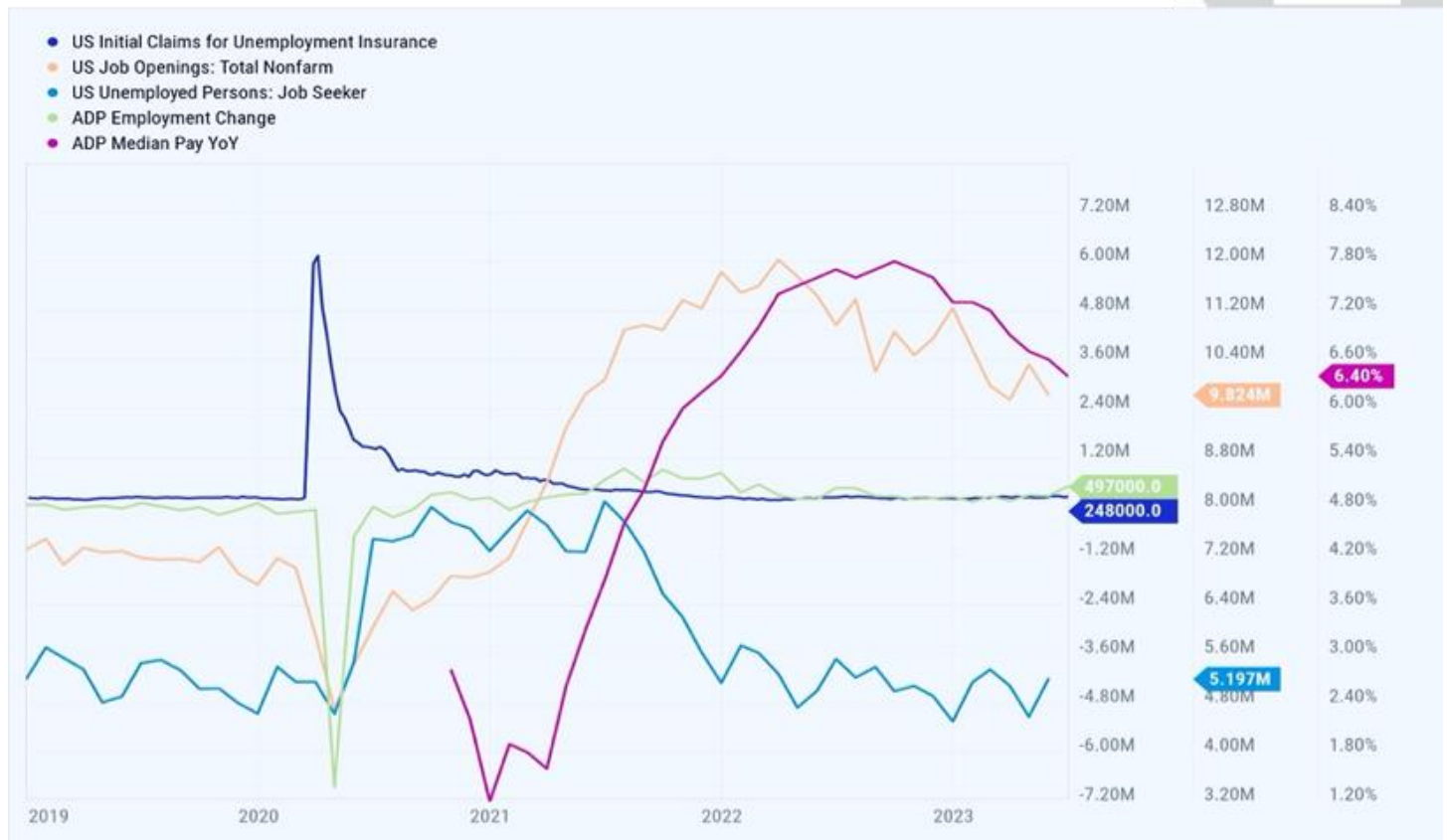
Eurozone Summary:

- **Stoxx 600** closed at 446.85, down 11.68 points or 2.42%.
- **FTSE 100** closed at 7,280.50, down 161.60 points or 2.17%.
- **Dax Index** closed at 15,528.54, down 409.04 points or 2.57%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,922.26, down 366.38 points or 1.07%.
- **S&P 500** closed at 4,411.59, down 35.23 points or 0.79%.
- **Nasdaq Composite** closed at 13,741.70, down 112.61 points or 0.83%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,567.72, down 23.20 points or 0.90%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,741.70, down 20.88 points or 0.55%.
- **U.S. Treasury 10-year note** closed at 4.05%.
- **U.S. Treasury 2-year note** closed at 4.99%.

US Initial Claims for Unemployment, US Job Openings, US Unemployed Job Seekers, ADP Employment Change & ADP Median Pay





US Trade Balance, US ISM Services PMI, US ISM Services Employment Change, US ISM Services New Orders, 30-Year Mortgage Rate & EU Retail Trade

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- US Trade Balance on Goods and Services (I:USBGSSM)
- US ISM Services PMI (I:ISMNMI)
- US ISM Services Employment Index (I:ISMNMEI)
- US ISM Services New Orders Index (I:ISMNNOI)
- 30 Year Mortgage Rate (I:US30YMR)
- Eurozone Retail Trade YoY (I:ECRTMHGN)





GDPNow Forecast 7/6/23

Date	GDPNow 2Q23	Change
4/28/23	1.70%	Initial Forecast
5/1/202	1.80%	5.56%
5/4/23	2.70%	33.33%
5/8/23	2.70%	0.00%
5/16/23	2.60%	-3.85%
5/17/23	2.90%	10.34%
5/26/23	1.90%	-52.63%
6/1/23	2.00%	5.00%
6/7/23	2.20%	10.0%
6/8/23	2.20%	0.0%
6/7/23	2.20%	0.0%
6/8/23	2.20%	0.0%
6/15/23	1.80%	-18.2%
6/20/23	1.90%	5.6%
6/27/23	1.80%	-5.3%
6/30/23	2.20%	22.2%
7/3/23	1.90%	-13.6%
7/6/23	2.10%	10.5%



Wall Street Recap

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