

The U.S. jobs growth fell 31.70%, Unemployment fell to 3.60%, and Wall Street closed down.

July 7, 2023

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the week falling hard as investors digest the most recent economic data, especially today's jobs report that saw jobs growth fall a whopping 31.70% to 206,000 new jobs. Also, the U.S. unemployment rate fell to 3.60%, and the labor participation rate remained unchanged at 62.40%.

Digging deeper, this was the slowest job growth in 30 months, evidencing that the labor markets are slowing down. While the Fed would like to see job growth more subdued, we firmly believe that a resilient and slower pace of growth in the labor markets could be a blessing in disguise since we are at the latter stages of the interest rate cycle, and job growths translate to a continuation of economic growth.

With the current economic data, the Fed has the information needed to continue its interest rate increases to curtail inflation and hopefully maintain economic growth.

The final piece for the Fed will be the release of the Consumer Price Index **on July 12** and the latest Inflation Nowcast estimates for the CPI of 3.22% and the Core CPI of 5.11%. However, the Consensus expectations are for headline CPI to drop near 3%, pushed by the decrease in energy prices, and for Core CPI to fall below 4%; we have to wait and see which of the two scenarios happens.

Puerto Rico Public Companies:

- **Popular Inc (BPOP):** closed at \$62.36, up 2.06%
- **First Bancorp: FBP):** closed at \$12.57, up 2.11%
- **OFG Bancorp. (OFG):** closed at \$26.75, up 2.33%
- **Evertec, Inc. (EVTC):** closed at \$37.44, up 1.03%

Key Economic Data:

- **U.S. Nonfarm Payrolls MoM:** fell to 209,000, down from 306,000 last month, decreasing -31.70%.
- **U.S. Unemployment Rate:** fell to 3.60%, compared to 3.70% last month.
- **U.S. Labor Force Participation Rate:** is unchanged at 62.60%, compared to 62.60% last month.
- **U.S. Total Private Average Weekly Hours:** rose to 34.40, up from 34.30 last month, decreasing 0.29%.
- **Canada Employment Net Change:** rose 59,900, up from -17,300 last month.
- **Canada Unemployment Rate:** increased to 5.40%, compared to 5.20% last month.
- **Canada Labour Force Participation Rate:** rose to 65.70%, compared to 65.50% last month.
- **Canada Ivey PMI:** fell to 50.20, down from 53.50 last month, decreasing -6.17%.

- **Germany Industrial Production Index MoM:** fell to -0.20%, compared to 0.30% last month.
- **Japan Business Conditions Composite Coincident Index:** fell to 113.80, down from 114.20 last month, decreasing -0.35%.

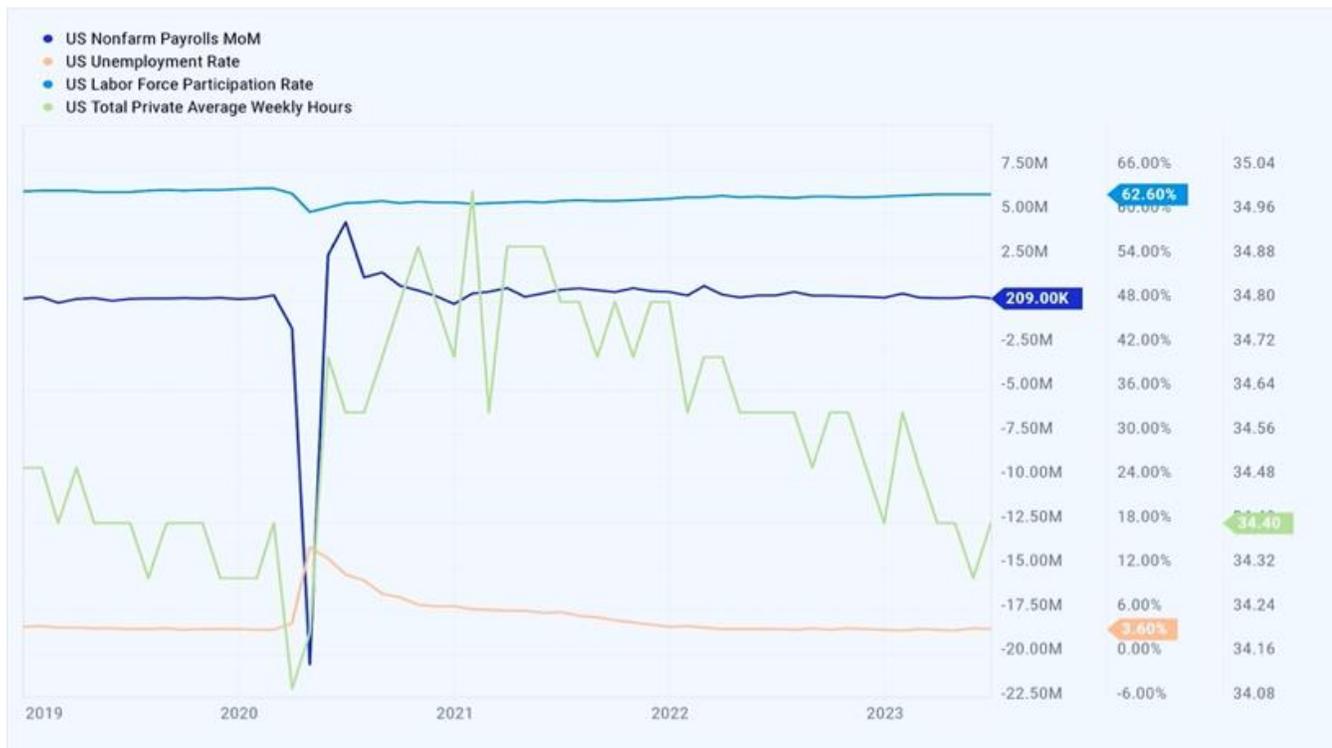
Eurozone Summary:

- **Stoxx 600** closed at 447.65, up 0.43 points or 0.10%.
- **FTSE 100** closed at 7,256.94, down 27.56 points or 0.32%.
- **Dax Index** closed at 15,603.40, up 74.86 points or 0.48%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,734.88, down 187.38 points or 0.55%.
- **S&P 500** closed at 4,398.95, down 12.64 points or 0.29%.
- **Nasdaq Composite** closed at 13,660.72, down 18.33 points or 0.13%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,547.22, down 20.51 points or 0.80%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,658.42, down 83.29 points or 2.23%.
- **U.S. Treasury 10-year note** closed at 4.06%.
- **U.S. Treasury 2-year note** closed at 4.94%.

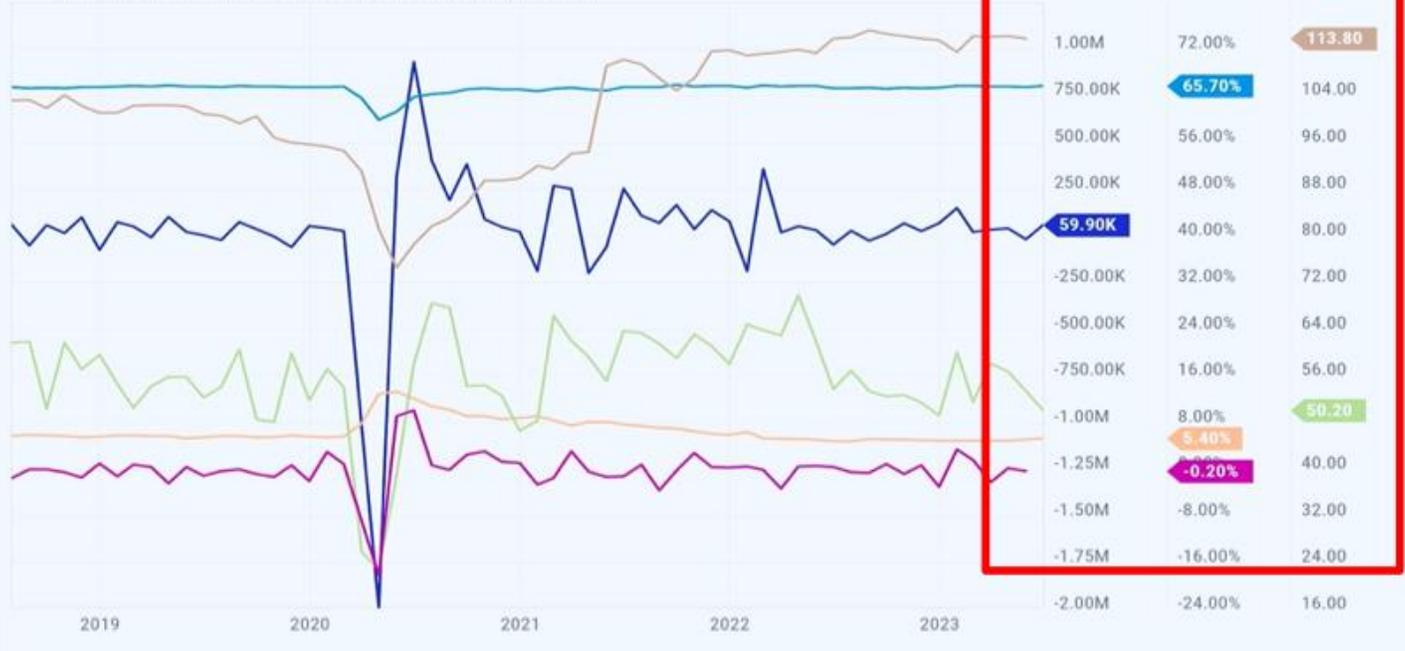
US Nonfarm Payrolls, US Unemployment Rate, US Labor Force Participation Rate & US Total Private Average Weekly Hours





Canada Employment Change, Canada Unemployment Rate, Canada Participation Rate, Canada Ivey PMI, Germany Industrial Production & Japan Business Conditions

- Canada Employment Net Change (I:CENC)
- Canada Unemployment Rate (I:CAUR)
- Canada Labour Force Participation Rate (I:CLFPR)
- Canada Ivey PMI (I:CAIPMI)
- Germany Industrial Production Index MoM (I:GCIPSA)
- Japan Business Conditions Composite Coincident Index (I:JPBCCCI)





Wall Street Recap

July 7, 2023



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.