

# The Kingdom of Saudi Arabia is cutting oil production by 1 million barrels daily, and Wall Street closed down.

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The U.S. and European stock markets began the week, with losses with the Dow losing 199.93 points, and the S&P and Nasdaq fell slightly. Investors are confronting another geopolitical issue that has very material economic implications worldwide, and it's the unilateral decision of Saudi Arabia to reduce oil production by 1 million barrels per day starting in July 2023 to increase their price levels.

Following an Opec+ meeting in Vienna last Sunday, the Saudi energy minister Prince Abdulaziz bin Salman, Opec's unofficial leader, announced. Oil prices have fallen 23% during the past twelve months, even with the producer's supply reduction measures.

Closer to Home Friday's robust labor market jobs reports tell us two things; for one, the labor market, with the creation of 339,000 new jobs, became the best month since January, when it delivered 472,000 jobs, while it shows a slight reacceleration, there may be economic weakening towards the next half of the year. It's worth noting that U.S. unemployment has delivered the 16th consecutive month of below 4% unemployment, the most prolonged period since 1970 and 1967.

We must highlight that the unemployment rate rose to 3.7%, and while it appears at odds with the jobs growth, it tells us that the labor market is at a crossroads, undergoing a transition and increasing during the year but remaining below 4.75%.

What does this mean for the Fed's interest rate campaign?

Naturally, the conclusion of the rate campaign is the reining in the labor markets as the end of the Fed's rate increases; we shall see.

## Key Economic Data:

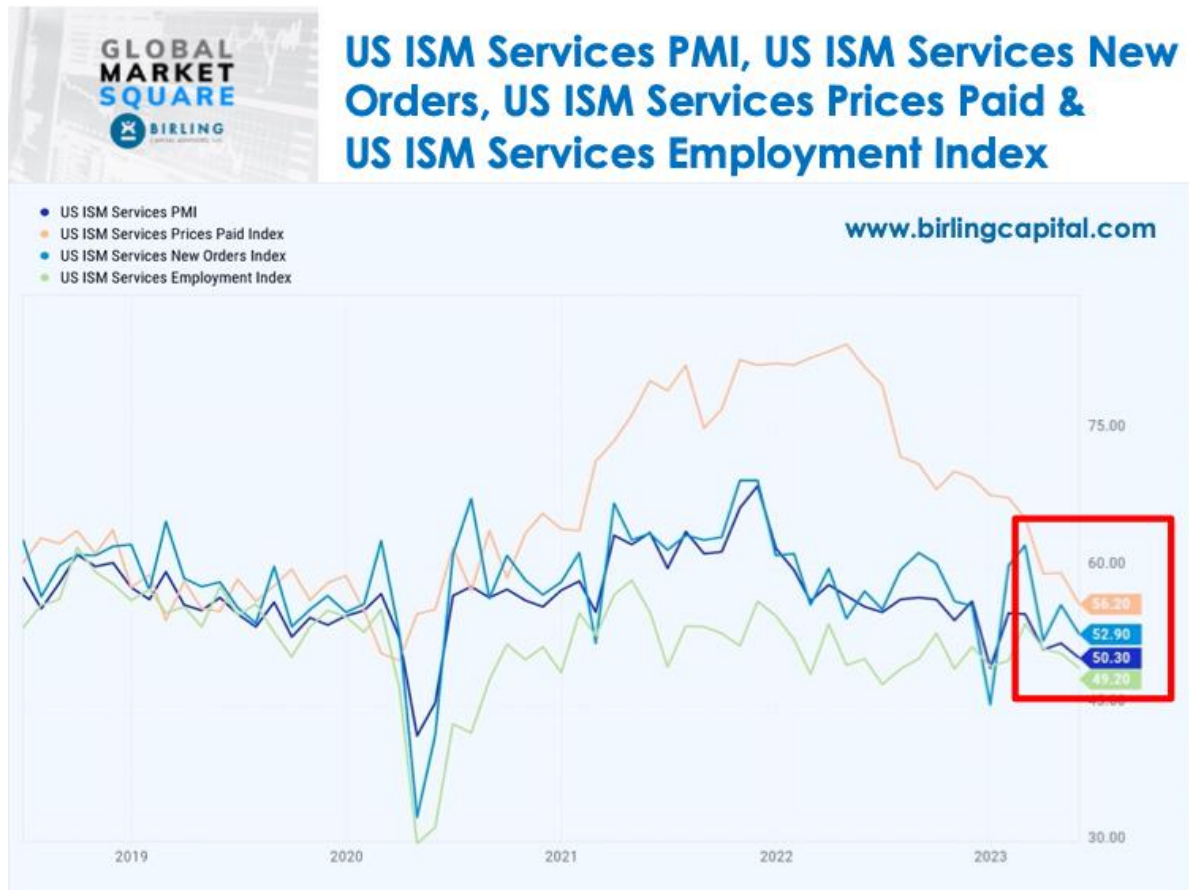
- **U.S. Retail Gas Price:** rose to \$3.684, up from \$3.645 last week, increasing 1.07%.
- **U.S. ISM Services PMI:** fell to 50.30, down from 51.90 last month, decreasing -3.08%.
- **U.S. Durable Goods New Orders MoM:** fell to 1.07%, compared to 3.33% last month.
- **U.S. ISM Services New Orders Index:** fell to 52.90, down from 56.10 last month, decreasing -5.70%.
- **U.S. ISM Services Prices Paid Index:** fell to 56.20, down from 59.60 last month, dropping -5.70%.
- **Germany Trade Balance:** rose to 18.40 billion, up from 14.90 billion last month, rising 23.49%
- **Germany Exports MoM:** rose to 1.20%, compared to -6.00% last month.

## Eurozone Summary:

- **Stoxx 600** closed at 459.95, down 2.20 points or 0.48%.
- **FTSE 100** closed at 7,599.99, down 7.29 points or 0.096%.
- **Dax Index** closed at 15,963.89, down 87.54 points or 0.54%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,562.86, down 199.90 or 0.58%.
- **S&P 500** closed at 4,273.79, down 8.58 points or 0.20%.
- **Nasdaq Composite** closed at 13,229.43, down 11.34 points or 0.09%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,544.89, up 131.80 points or 2.80%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,662.45, up 99.62 points or 0.33%.
- **U.S. Treasury 10-year note** closed at 3.69%.
- **U.S. Treasury 2-year note** closed at 4.46%.



# Germany Exports, Germany Trade Balance & US Retail Gas Price

- Germany Exports MoM
- Germany Trade Balance
- US Retail Gas Price





# Wall Street Recap

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