

GLOBAL MARKET SQUARE



The Federal Reserve Bank Hikes rates by 25 basis points, ADP Employment Change rose to 296,000, up 108.5%, and Wall Street closed down.

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The U.S. and European stock markets closed with mixed results following the Federal Reserve Banks' unanimous decision to increase rates by 25 basis points, the tenth-rate increase, and now the overnight rate is between 5%- 5.25%. In its statement, the FOMC eliminated the language that said, "some additional policy firming may be appropriate", indicating that the Fed pauses following the latest increase.

In the Fed's Press release, they state, "Economic activity expanded at a modest pace in the first quarter. Job gains have been robust recently, and the unemployment rate has remained low. Still, Inflation remains elevated, and the FOMC seeks to achieve maximum employment and Inflation at the rate of 2 percent over the longer run. To support these goals, we decided to raise the target range for the federal funds rate".

Fed Chairman Powell stated that no rate cuts would come unless Inflation fell to near its 2% target rate. The failure of three banks and continued systemic stress in the banking sector could not sway the Fed from pausing. The Fed's rate increases have impacted solid labor markets, and Job openings have fallen to 9.59 million, decreasing from 12.03 million Y-o-Y, a -20.26% decrease.

Federal Reserve Bank

Date Rate Increases

1. May 3, 23 25 Basis Points
2. Mar. 22, 23 25 Basis Points
3. Feb. 01, 23 25 Basis Points
4. Dic. 14, 22 50 Basis Points
5. Nov. 02, 22 75 Basis Points
6. Sep. 21, 22 75 Basis Points
7. Jul. 27, 22 75 Basis Points
8. Jun. 15, 22 75 Basis Points
9. May 04, 22 50 Basis Points
10. Mar. 16, 22 25 Basis Points

Total 500 Basis Points

Key Economic Data:

- **ADP Employment Change:** rose to 296,000, up from 142,000 last month, increasing 108.5%.
- **ADP Median Pay YoY:** fell to 6.70%, compared to 6.90% last month.
- **US ISM Services PMI:** rose to 51.90, up from 51.20 last month, increasing 1.37%.
- **US ISM Services Employment Index:** fell to 50.80, down from 51.30 last month, down -0.97%.
- **US ISM Services New Orders Index:** rose to 56.10, up from 52.20 last month, up 7.47%.
- **Eurozone Unemployment Rate:** fell to 6.50%, compared to 6.60% last month.

Puerto Rico COVID-19 Update:

- Daily Cases: 67
- Positivity Rate: 15.37%
- Hospitalizations: 86
- Deaths: 1
- Source P R. Department of Health.

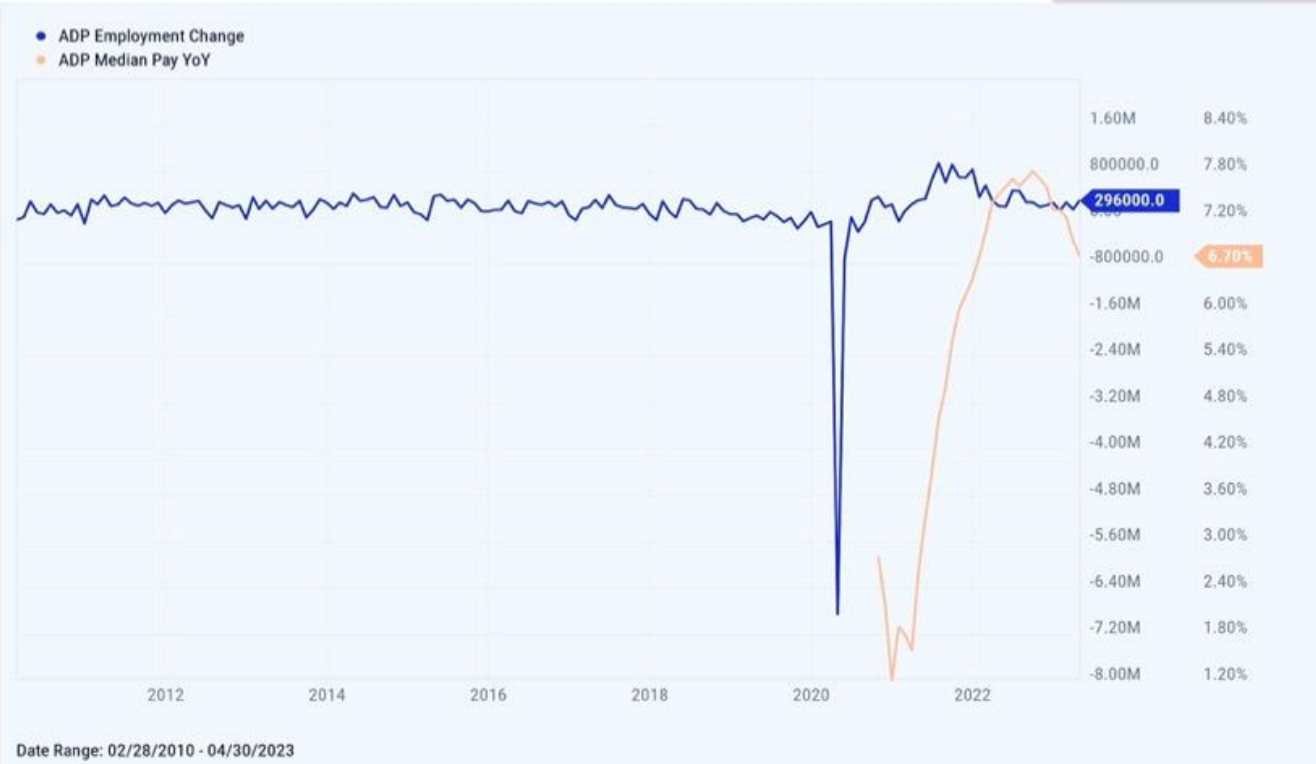
Eurozone Summary:

- Stoxx 600 closed at 462.54, up 1.46 points or 0.32%.
- FTSE 100 closed at 7,788.37, up 15.34 points or 0.20%.
- Dax Index closed at 15,815.06, up 88.12 points or 0.56%.

Wall Street Summary:

- Dow Jones Industrial Average closed at 33,414.24, down 270.29 or 0.80%.
- S&P 500 closed at 4,090.75, down 28.83 points or 0.70%.
- Nasdaq Composite closed at 12,025.33, down 55.18 points or 0.46%.
- Birling Capital Puerto Rico Stock Index closed at 2,315.77, down 80.17 points or 3.35%.
- Birling Capital U.S. Bank Stock Index closed at 3,623.39, down 93.69 points or 2.52%.
- U.S. Treasury 10-year note closed at 3.38%.
- U.S. Treasury 2-year note closed at 3.89%.

ADP Employment Change Rises 108.50% & ADP Median Pay



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

- US ISM Services PMI
- US ISM Services Prices Paid Index
- US ISM Services New Orders Index
- US ISM Services Employment Index

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Date Range: 05/31/2018 - 04/30/2023



Wall Street Recap May 3, 2023



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