



The University of Michigan Index of Consumer Sentiment fell 6.04% to 63.80; all eyes on the CPI and Wall Street ends the week higher.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the week with asymmetrical results, following a volatile week full of monetary policy questions, uncertainties, divergent economic data, and better-than-expected corporate earnings.

The markets were spoked yesterday following the remarks from Fed Chair Powell at the IMF that alluded that The Fed policy has not been restrictive enough to bring inflation down to 2% and a very weak bond auction.

The 2-year Treasury yield rose to close at 5.04%, and the 10-year closed slightly down at 4.61%.

European and most Global markets closed lower, noticing that China's Consumer Price Index (CPI) fell into deflation, falling 0.2% in October.

As we have seen this week, the Fed and rates are the number one concern for world markets, and any news indicating that rates may rise causes strong pullbacks. However, we believe that the Fed's Chair remarks on a more restrictive monetary policy are more of a reminder that its 2% inflation target is still quite a way away and determine that the inflation fight is over, far from it.

Due next Tuesday, the CPI has a forecast of 3.28%, which is still 39.02% away from the Fed's 25 target.

While we firmly believe that the Fed has ended raising rates in this cycle, the comments from the Fed Chair allow him to keep his options open; we shall soon see the outcome.

Next week's Corporate Earnings Parade will provide a deep look into the health of U.S. Consumers as Walmart, Target, and Home Depot are on deck to report their 3Q23 earnings.

Key Economic Data:

- **U.S. Index of Consumer Sentiment:** fell to 63.80, down from 67.90 last month, down -6.04%.
- **U.K. Real GDP YoY:** is unchanged at 0.60%, compared to 0.60% last quarter.
- **U.K. Industrial Production Index YoY:** is unchanged at 1.50%, compared to 1.50% last month.
- **U.K. Business Investment YoY:** fell to 2.80%, compared to 9.21% last quarter.
- **U.K. Balance of Trade:** is at -4.512 billion, up from -9.917 billion last quarter.

Eurozone Summary:

- **Stoxx 600** closed at 443.31, down 4.49 points or 1.0%
- **FTSE 100** closed at 7,360.55, down 95.12 points or 1.28%.
- **Dax Index** closed at 15,234.39, down 118.15 points or 0.77%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,283.10, up 391.16 points or 1.15%.
- **S&P 500** closed at 4,415.24, up 67.89 points or 1.56%.
- **Nasdaq Composite** closed at 13,798.11, up 276.66 points or 2.05%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,749.12, down 29.08 points or 1.05%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,562.98, down 43.86 points or 1.22%.
- **U.S. Treasury 10-year note** closed at 4.61%.
- **U.S. Treasury 2-year note market** closed at 5.04%.



Inflation Nowcast

Inflation Nowcast	CPI	Core CPI
October	3.28%	4.16%
November	3.16%	4.20%

US Index of Consumer Sentiment versus Effective Fed Funds Rate



UK GDP, UK Industrial Production Index, UK Business Inventories & UK Balance of Trade

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