



The Fed Chair Powell feels that monetary policy needs to be more restrictive to bring inflation down to its 2% target and Wall Street Tanks.

November 9, 2023

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the session sharply lower after Fed Chairman Jerome Powell stated that "The FOMC is committed to achieving a stance of monetary policy that is sufficiently restrictive to bring inflation down to 2%; we are not confident that we have achieved such a stance", in essence, what the Fed Chair is saying they are not finished increasing interest rates just yet. The stock's drive down was also partly due to an auction of U.S. Treasuries earlier today, contributing to an increase in yields. The benchmark 10-year Treasury yield was up more than 12 basis points at 4.632%. The 30-year bond rate jumped nearly 14 basis points to 4.792%.

We include the Fed Chair Powell, comments, and its slide deck.

To access the link, do so here: [Opening remarks by Chair Powell at "Monetary Policy Challenges in a Global Economy," a policy panel at the 24th Jacques Polak Annual Research Conference hosted by the International Monetary Fund - Federal Reserve Board](#)

Additionally, U.S. initial jobless claims for last week came in at 217,000, in line with expectations.

The Walt Disney Co (DIS), which reported after the market closed yesterday and its results beat expectations by a handsome margin of at least 15% above Earnings Per Share estimates and increased its cost-cutting plans, the stock rose today by 6.88% to close at \$90.31.

As the Corporate Earnings Parade is rapidly ending, 90% of the companies have reported, and EPS is on route to grow 4%.

In light of the recent comments by the Fed Chair on the direction of inflation and its 2%, the CPI due next Tuesday becomes increasingly critical; these are the latest Inflation Nowcast numbers:

- October: **CPI 3.28% Core CPI 4.16%.**
- November: **CPI 3.16% Core CPI 4.20%.**

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 217,000, down from 220,000 last week, down -1.36%.
- **30-Year Mortgage Rate:** fell to 7.76%, compared to 7.79% last week.

Eurozone Summary:

- **Stoxx 600** closed at 447.80, up 3.72 points or 0.84%.
- **FTSE 100** closed at 7,455.67, up 53.95 points or 0.73%.
- **Dax Index** closed at 15,352.54, up 122.94 or 0.81%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,891.94, down 220.33 points or 0.65%.
- **S&P 500** closed at 4,347.35, down 35.43 points or 0.81%.
- **Nasdaq Composite** closed at 13,521.45, down 128.27 points or 0.94%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,778.19, down 11.98 or 0.43%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,606.84, down 0.99 or 0.03%.
- **U.S. Treasury 10-year note** closed at 4.62%.
- **U.S. Treasury 2-year note market** closed at 5.03%.



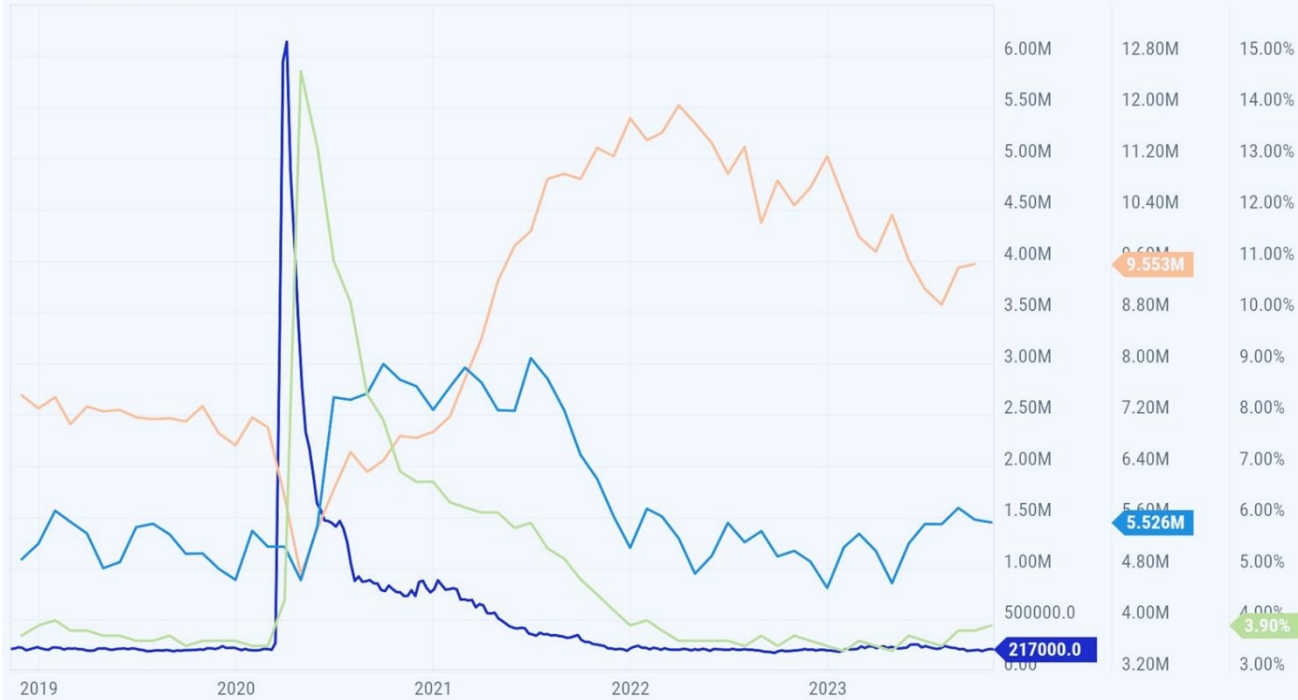
Inflation Nowcast

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

US Initial Claims for Unemployment rose to 217,000, down 1.36%

VAL

- US Initial Claims for Unemployment Insurance 217000.0
- US Job Openings: Total Nonfarm 9.553M
- US Unemployed Persons: Job Seeker 5.526M
- US Unemployment Rate 3.90%





30-Year Mortgage Rate Vs US Mortgage Originations

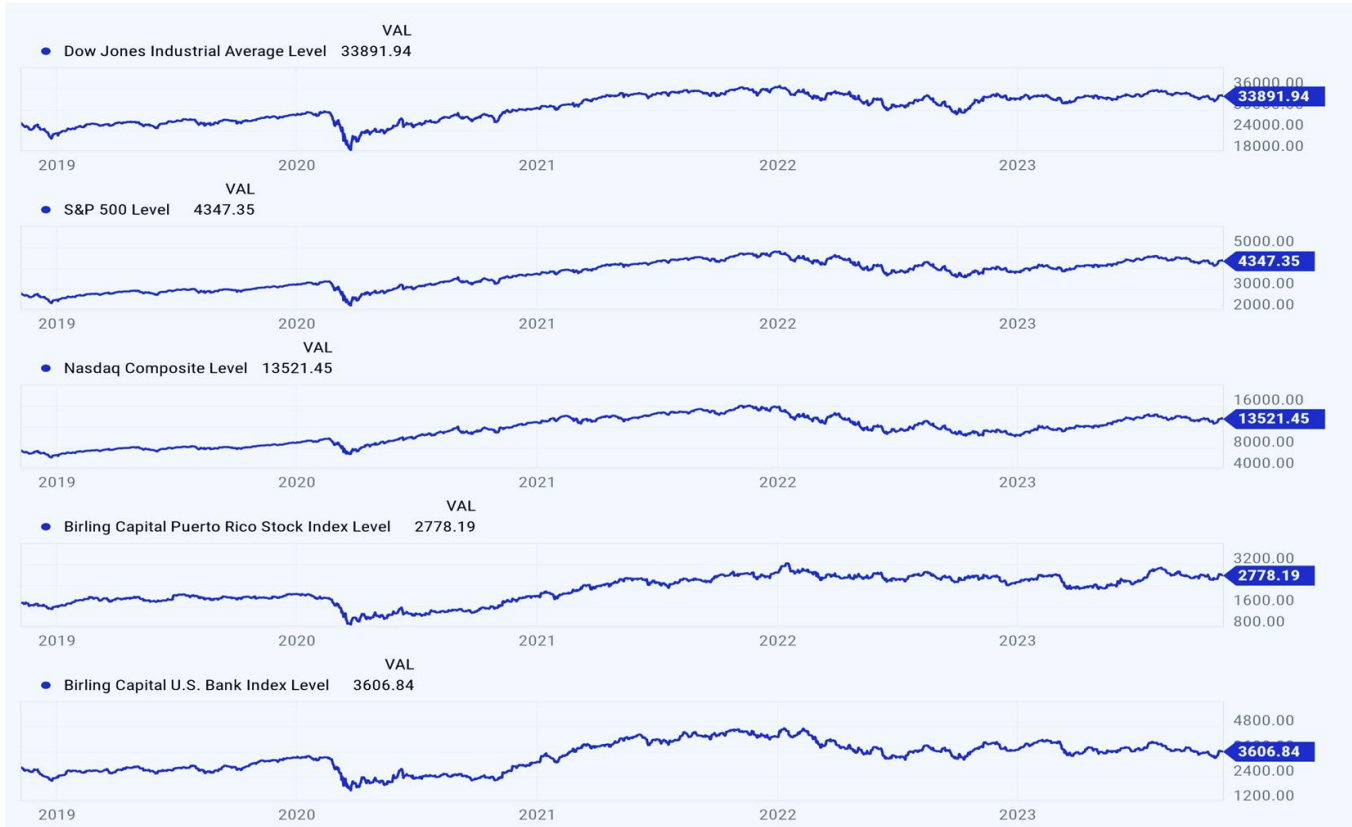




Wall Street Recap

November 9, 2023

www.birlingcapital.com



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.