

U.S. Job Openings hit 9.61 million, creating a 67.07% deficit with job seekers at 5.75 million, U.S. Treasuries rose to their highest level since 2007, and Wall Street fell.

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The U.S. and European stock markets closed with losses as the narrative of implications over a prolonged high-interest rate environment has investors wondering in which direction the economy would move.

As a result, the U.S. treasuries, Bond yields, and the U.S. dollar are rising at the expense of equities. As Treasury yields rose to their highest levels since 2007, it also sounded the alarm about how higher interest rates would impact the housing markets and small Businesses, plunging the economy into a recession.

A 10% prime rate can significantly impact businesses, and to put this in perspective, a 7% Fed rate would put the Prime Rate at 10% and could dramatically impact the economy.

The Capital Challenge for SMEs and Local Companies.

According to the survey, a significant percentage of SME owners indicated the following:

- **70% of those who applied for new business loans this year have encountered difficulties gaining access to capital.** Marking an increase of 14.75% from the 61% recorded just a few months earlier, in April 2023.
- **76%** of respondents stated that the difficulty in **accessing affordable capital had negatively impacted their businesses.**
- Rising interest rates were identified as another source of concern, with **73% of SME owners** reporting adverse effects on their operations.

While these gains could be short-term, we believe markets are recalibrating their expectations of Fed policy rate action in the short term. Although the economy will reduce its momentum into 2024, today's GDPNow for the third quarter is a solid 4.90% GDP.

On the expectation that labor markets would subside, the Job Openings of Nonfarm rose to 9.61 million, increasing 7.74% and creating a deficit of 67.07%. As Job seekers are only 5.75 million, we expect this Friday's job report and the unemployment rate to evaluate the broader picture.

Key Economic Data:

- **U.S. Job Openings Total Nonfarm:** rose to 9.61 million, up from 8.92 million last month, increasing 7.74%.

Eurozone Summary:

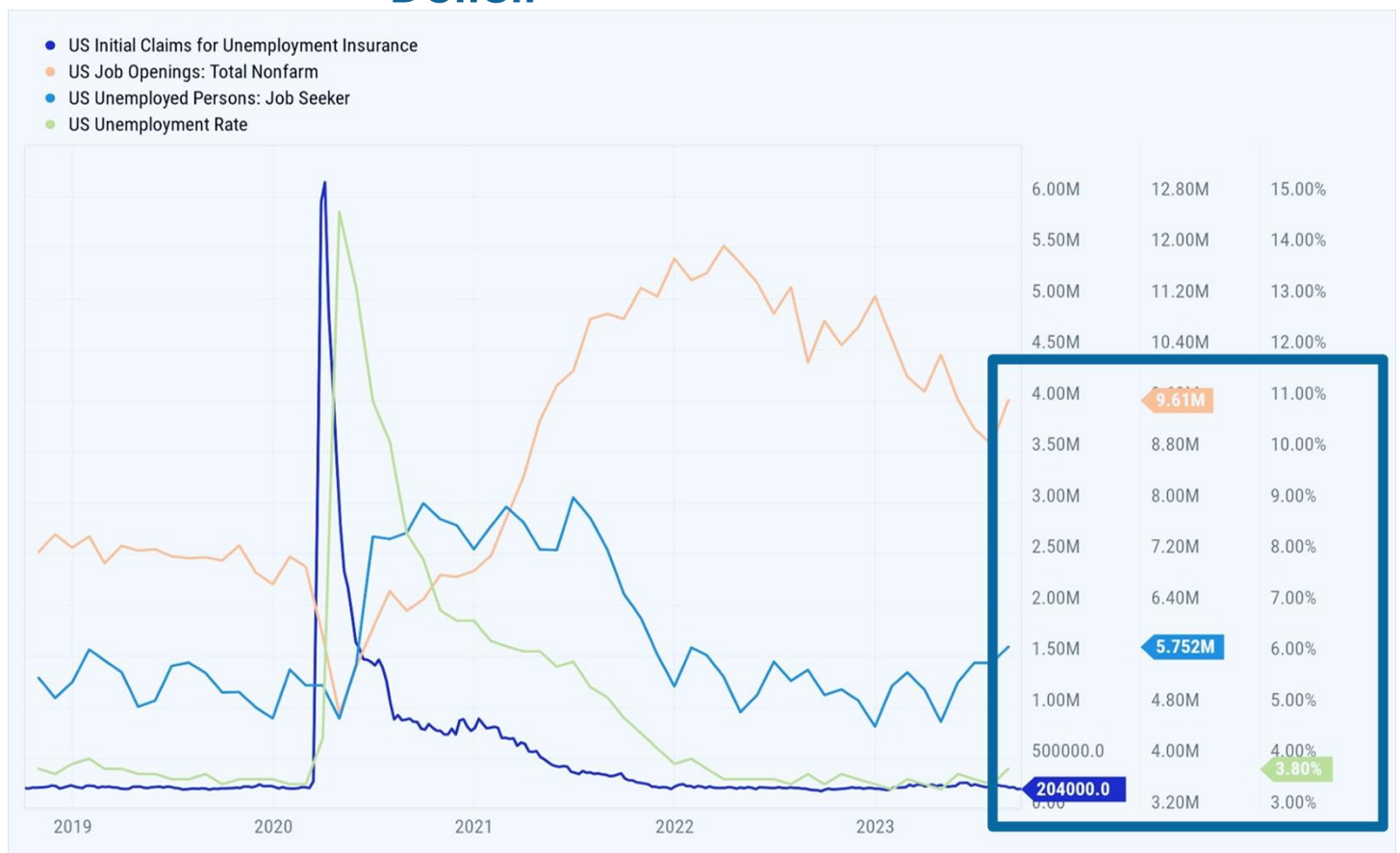
- **Stoxx 600** closed at 440.70, down 4.89 points or 1.10%.
- **FTSE 100** closed at 7,470.16, down 40.56 points or 0.54%.
- **Dax Index** closed at 15,085.21, down 162.00 points or 1.06%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,002.38, down 430.97 points or 1.29%.
- **S&P 500** closed at 4,229.45, down 58.94 points or 1.37%.
- **Nasdaq Composite** closed at 13,059.47, down 248.31 points or 1.87%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,737.45, up 6.34 points or 0.23%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,533.82, down 66.28 points or 1.84%.
- **U.S. Treasury 10-year note** closed at 4.81%.
- **U.S. Treasury 2-year note** closed at 5.15%.



US Job Openings nonfarm at 9.61 Million with 5.75 million job seekers a 67.07% Deficit





Wall Street Recap October 3, 2023



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