

GLOBAL MARKET SQUARE



The GDPNow Model estimates GDP Growth of 2.5%, the Producer Price Index fell 14%, and Wall Street closed mixed.

August 11, 2022

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The U.S. & European stock markets closed the session with mixed results, as investors absorbed the surprise decrease in the U.S. Producer Price Index to 9.76%, a 14% reduction versus last month. In combination with yesterday's CPI of 8.52%, both are lower; the progress is not significant enough to declare that inflation has been beaten. In our view, both readings will not be conducive to the Fed reducing its interest rate pace; instead, we predict that another 75 basis points are the next course of action during the September FOMC meeting.

GDPNow Update

Adding to the good news, the Federal Reserve Bank of Atlanta's GDPNow Update shows that the GDPNow Model's August 10 estimate is at 2.5% GDP growth for the third quarter, up from 1.4% GDP.

Corporate Earnings Parade:

- **Brookfield Asset Management Inc (BAM):** reported its 2Q22 earnings with revenues of \$23.256 billion, up 21.27%, and a net income of \$1.475 billion, down 39.27%, beating estimates. The company stock has a price target of \$62.85, closing at \$53.56, up 1.11%. You should have this stock on your watchlist as Brookfield Asset Management manages \$750 billion in assets for third parties. Brookfield will spin off a 25% stake and be listed on the Toronto and New York Stock Exchanges. The rest of the existing company will be renamed Brookfield Corporation, focusing on investing its capital.

Key Economic Data:

- U.S. Initial Claims for Unemployment Insurance: rose to 262,000, up from 248,000 last week, increasing 5.24%.
- U.S. Producer Price Index YoY: fell to 9.76%, compared to 11.35% last month.
- U.S. Core Producer Price Index YoY: fell to 7.56%, compared to 8.36% last month.
- 30-Year Mortgage Rate: fell to 4.99%, compared to 5.30% last week.

Puerto Rico COVID-19 Update August 11:

- Daily Cases: 536, down 13.38%.
- Positivity Rate: 32.91%, up 0.06%.
- Hospitalizations: 381, down 1.57%.
- Deaths: 10, up 20%.
- Source Puerto Rico Department of Health.

Eurozone Summary for August 11:

- Stoxx 600 closed at 440.27, up 0.39 points or 0.089%.
- FTSE 100 closed at 7,465.91, down 41.20 points or 0.55%.
- Dax Index closed at 13,694.51, down 6.42 points or 0.05%.

Wall Street Summary for August 11:

- Dow Jones Industrial Average closed at 33,336.67, up 27.16 points or 0.08%.
- S&P 500 closed at 4,207.27, down 2.97 points or 0.07%.
- Nasdaq Composite closed at 12,779.91, down 74.89 points or 0.58%.
- Birling Capital Puerto Rico Stock index closed at 2,812.85, up 23.38 points or 0.84%.
- The U.S. Treasury 10-year note closed at 2.87%.
- The U.S. Treasury 2-year note closed at 3.23%.



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Unemployment Data

8.11.22



The federal Labor Department reported on August 4 that jobless claims rose to 262,000 versus 248,000 last week, increasing 5.24%.

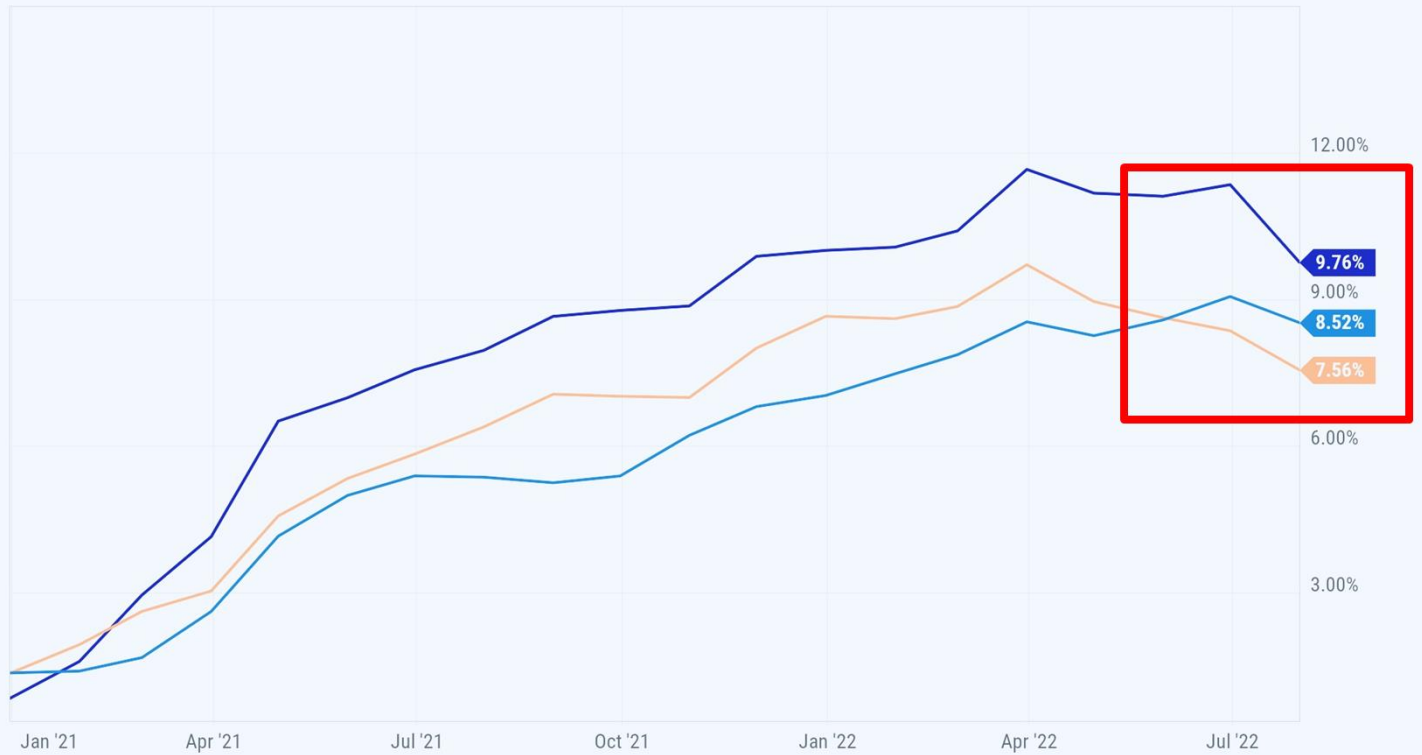




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US Producer Price Index, US Core Producer Price Index and US Consumer Price Index

- US Producer Price Index YoY
- US Core Producer Price Index YoY
- US Consumer Price Index YoY





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Wall Street August 11, 2022

YTD Returns



Wall Street August 11, 2022



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