

GLOBAL MARKET SQUARE



Focus on the Jackson Hole Conference as the disconnect between investors and the Fed's Inflation curbing strategy that is 326% away from its target takes markets down, and Wall Street closes with losses.

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The U.S. & European stock markets ended the week mostly down as investors' fears over the Fed minutes that affirmed that the interest rate increases would continue. We have continued to comment that there is a vast disconnect between investors and what the Federal Reserve Bank needs to do to stop inflation.

The Fed's Inflation target is 2%, and with the CPI at 8.52%, it is still 326% above the 2% target.

So far, the Fed has raised rates from 25 basis points to 225 to 250 basis points, and we expect another 50 to 75 basis points increase during the September FOMC meeting.

Lastly, next week the annual Kansas City Federal Reserve Bank economic summit takes place in Jackson Hole. On the agenda, there will be a dialogue over the needed actions to curb inflation; usually, the Fed uses this specific conference to announce new policies, more to come.

GDPNow

The GDPNow model estimate for real GDP growth in the third quarter of 2022 is 1.6 percent, down from 1.8 percent.

Key Economic Data:

- **Canada Retail Sales MoM:** fell to 1.07%, compared to 2.26% last month.
- **U.K. Retail Sales YoY:** improved -3.40%, compared to -6.10% last month.
- **U.K. Retail Sales excluding Fuel MoM:** rose to 0.40%, compared to 0.20% last month
- **Germany Producer Price Index YoY:** rose to 37.20%, compared to 32.70% last month.
- **Germany Producer Price Index MoM:** rose to 5.30%, compared to 0.60% last month.

Puerto Rico COVID-19 Update August 19:

- Daily Cases: 420, down 3.44%.
- Positivity Rate: 28.13%, up 0.17%.
- Hospitalizations: 382, down 1.03%.
- Deaths: 10, up 10%.
- Source Puerto Rico Department of Health.

Eurozone Summary for August 19:

- Stoxx 600 closed at 437.36, down 3.40 points or 0.77%.
- FTSE 100 closed at 7,550.37, up 8.52 points or 0.11%.
- Dax Index closed at 13,544.52, down 152.89 points or 1.12%.

Wall Street Summary for August 19:

- Dow Jones Industrial Average closed at 33,706.74, down 292.30 points or 0.86%.
- S&P 500 closed at 4,228.48, down 55.26 points or 1.29%.
- Nasdaq Composite closed at 12,705.22, down 260.13 points or 2.01%.
- Birling Capital Puerto Rico Stock index closed at 2,897.45, up 28.74 points or 1.00%.
- The U.S. Treasury 10-year note closed at 2.98%.
- The U.S. Treasury 2-year note closed at 3.25%.



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Wall Street Recap August 19, 2022





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