

GLOBAL MARKET SQUARE



The GDPNow projects a GDP growth for the third quarter of 1.6%, the Fed to begin its annual Jackson Hole Conference, and Wall Street closed with losses.

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The U.S. & European stock markets began the week with a strong dose of losses fueled by increasing fears of global economic evaporation and a rising chorus of opinion that the Federal Reserve Bank will further take interest rates higher.

Following two-quarters of GDP contraction is considered that the economy has entered a recession; correct or not, you should remember that having two consecutive negative quarters without being designated a recession has only happened on one occasion in 1947 or 75 years ago.

The GDPNow model has a projected Gross Domestic Product growth for the third quarter of 2022, as of August 17, of 1.6%, more to come.

This week from August 25-27, the Federal Reserve Bank of Kansas City hosts the annual economic summit in Jackson Hole. There will be a dialogue on actions needed to curb inflation; commonly, the Fed uses this specific conference to announce new policies.

A Look back to 1982

If we look at what happened in 1982 when the Fed Chairman was Paul Volcker, the U.S. had inflation of 13%; interest rates rose to 20%, the U.S. economy fell into a recession of -6.10% in March 1982, and an unemployment rate of 10.80%.

Today the scenario is a far cry from what happened in 1982 as the unemployment rate in the United States is at historically low levels at 3.50%, the last Gross Domestic Product report was -0.90%, interest rates are between 2.25 to 2.50, and inflation is at 8.52% and trending downward.

We believe that fearing what the Fed must do to fight inflation is not warranted; eventually, the economy will be more robust. The nation's well-being must come ahead of the interests of any industry, and we all will be better for it.

Puerto Rico COVID-19 Update August 22:

- Daily Cases: 424, down 0.94%.
- Positivity Rate: 27.95%, down 0.63%.
- Hospitalizations: 360, down 5.75%.
- Deaths: 0
- Source Puerto Rico Department of Health.

Eurozone Summary for August 22:

- Stoxx 600 closed at 433.17, down 4.19 points or 0.96%.
- FTSE 100 closed at 7,533.79, down 16.58 points or 0.22%.
- Dax Index closed at 13,230.57, down 313.95 points or 2.32%.

Wall Street Summary for August 22:

- Dow Jones Industrial Average closed at 33,063.61, down 643.13 points or 1.91%.
- S&P 500 closed at 4,137.99, down 90.49 points or 2.14%.
- Nasdaq Composite closed at 12,381.57, down 323.64 points or 2.55%.
- Birling Capital Puerto Rico Stock index closed at 2,861.34, down 36.31 points or 1.25%.
- The U.S. Treasury 10-year note closed at 3.03%.
- The U.S. Treasury 2-year note closed at 3.32%.



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Date	GDPNow Forecast
7/29/2022	2.10%
8/5/2022	2.40%
8/12/2022	2.50%
8/17/2022	1.60%



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Wall Street Recap August 22, 2022





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YTD Returns



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