

# GLOBAL MARKET SQUARE



**New Single-Family Houses Sold fell -by 29.61%, the Richmond Fed Manufacturing Index fell -by 8.00%, and Wall Street closed down.**

**August 23, 2022**

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The U.S. & European stock markets ended the session with mixed results, as the markets continue to absorb the impact of rising interest rates on the broader economy. As we said before, with the Fed hosting its Jackson Hole Conference this week, Wall Street expects a more aggressive Fed.

We believe that the Fed must fight inflation to bring it down from 8.52% to its target of 2% which is still 326% above the 2% target.

One of the initial hits the economy is taking is the housing market, which is very sensitive to interest rates. After increasing rates from 25 basis points to 225 to 250 basis points and another 50 to 75 basis points increase during September, it has impacted the sector.

The Existing Home Sales are down to 4.81 million, down from 6.03 million last year, a considerable -20.23% decrease. Also, New Single-Family Houses Sold fell to 511,000 down from 726,000 last year, a -29.61% decrease. Lastly, the NAHB/Wells Fargo Single-Family Homes Present Sales Conditions is down to 57.00, from 81.00 one year ago, a -29.63% hit.

While housing prices have continued to increase, they will change to normal levels as inventories rise.

The Monthly Housing Trend report shows inventories increased 30.70% during July showing substantial improvement for the third month in a row; like all things economic, the law of supply and demand will soon balance out the inefficiencies.

## **Key Economic Data:**

- **U.S. New Single-Family Houses Sold:** fell to 511,000, down from 585,000 last month, decreasing -12.65%.
- **U.S. New Single-Family Houses Sold MoM:** fell to -12.65%, compared to -7.14% last month.
- **Richmond Fed Manufacturing Index:** fell to -8.00, down from 0.00 last month.
- **China Trade Balance:** rose to 101.27 billion, up from 97.94 billion last month, increasing 3.40%.
- **China Exports YoY:** rose to 17.80%, compared to 17.71% last month.
- **China Imports YoY:** rose to 2.49%, compared to 1.49% last month.

## **Puerto Rico COVID-19 Update August 23:**

- Daily Cases: 419, down 1.79%.
- Positivity Rate: 26.40%, down 5.54%.

- Hospitalizations: 321, down 10.83%.
- Deaths: 8
- Source Puerto Rico Department of Health.

### **Eurozone Summary for August 23:**

- Stoxx 600 closed at 431.13, down 2.04 points or 0.47%.
- FTSE 100 closed at 7,488.11, down 45.68 points or 0.61%.
- Dax Index closed at 13,194.23, down 36.34 points or 0.27%.

### **Wall Street Summary for August 23:**

- Dow Jones Industrial Average closed at 32,909.59, down 154.02 points or 0.47%.
- S&P 500 closed at 4,128.73, down 9.26 points or 0.22%.
- Nasdaq Composite closed at 12,381.30, down 0.27 points or 0.00%.
- Birling Capital Puerto Rico Stock index closed at 2,796.44, down 64.90 points or 2.27%.
- The U.S. Treasury 10-year note closed at 3.05%.
- The U.S. Treasury 2-year note closed at 3.29%.

US Single Family Houses Sold, US Single Family Houses Sold MoM, US Housing Starts & Richmond Fed Manufacturing Index



- US New Single Family Houses Sold
- US New Single Family Houses Sold MoM
- US Housing Starts
- Richmond Fed Manufacturing Index





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# Wall Street Recap

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## YTD Returns



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