

Wall Street rose today on expectations of the Fed comments and the Personal Consumption Expenditures (PCE) reading that both reports tomorrow.

August 25, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets closed broadly up, extending the nascent rally that began yesterday in anticipation of the Fed's Chair Powell's speech following the Jackson Hole Conference.

Additionally, a critical report due on also of Friday is the U.S. Personal Consumptions Expenditures (PCE) Price Index YoY, which is the Fed's preferred inflation benchmark, and the current consensus estimate is a PCE of 7.1%, and should the forecast materialize, it would be ahead of the last reading of 6.76%.

Today the Bureau of Economic Analysis released the second GDP estimate for the second quarter of -0.6% is based on more complete source data than the "advance" estimate issued last month of 0.9%. The update reflects positive consumer spending and private investment revisions that partially offset the reductions in the residential sector.

Also, as we said before, the GDPNow model estimate for real GDP growth for the third quarter of 2022 is **1.4 percent**.

In the Eurozone, most economic estimates believe that the Eurozone is headed toward a period of recession, and it's showing up in the Euro as it closed down to 0.99

Key Economic Data:

- **U.S. Real GDP QoQ:** fell to -0.60%, compared to -1.60% last quarter.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 243,000, down from 245,000 last week, decreasing -0.82%.
- **Kansas City Fed Manufacturing Production Index:** fell to -9.00, down from 7.00 last month.
- **30-Year Mortgage Rate:** rose to 5.55%, compared to 5.13% last week.
- **US Gross Domestic Purchases Price Index QoQ:** rose to 8.40%, compared to 8.00% last quarter.
- **Germany Real GDP QoQ:** fell to 0.10%, compared to 0.80% last quarter.
- **Germany Ifo Business Climate Index:** fell to 88.50, down from 88.70 last month, decreasing -0.23%.

Puerto Rico COVID-19 Update August 25:

- Daily Cases: 399, up 7.26%
- Positivity Rate: 26.94%, down
- Hospitalizations: 350, down 0.56%.

- Deaths: 7, up 14%.
- Source Puerto Rico Department of Health.

Eurozone Summary for August 25:

- Stoxx 600 closed at 433.44, up 1.39 points or 0.32%.
- FTSE 100 closed at 7,479.74, up 8.23 points or 0.11%.
- Dax Index closed at 13,271.96, up 51.90 points or 0.39%.

Wall Street Summary for August 25:

- Dow Jones Industrial Average closed at 33,291.78, up 322.55 points or 0.98%.
- S&P 500 closed at 4,199.14, up 58.35 points or 1.41%.
- Nasdaq Composite closed at 12,639.27, up 207.74 points or 1.67%.
- Birling Capital Puerto Rico Stock index closed at 2,762.12, down 7.85 points or 0.28%.
- The U.S. Treasury 10-year note closed at 3.06%.
- The U.S. Treasury 2-year note closed at 3.35%.

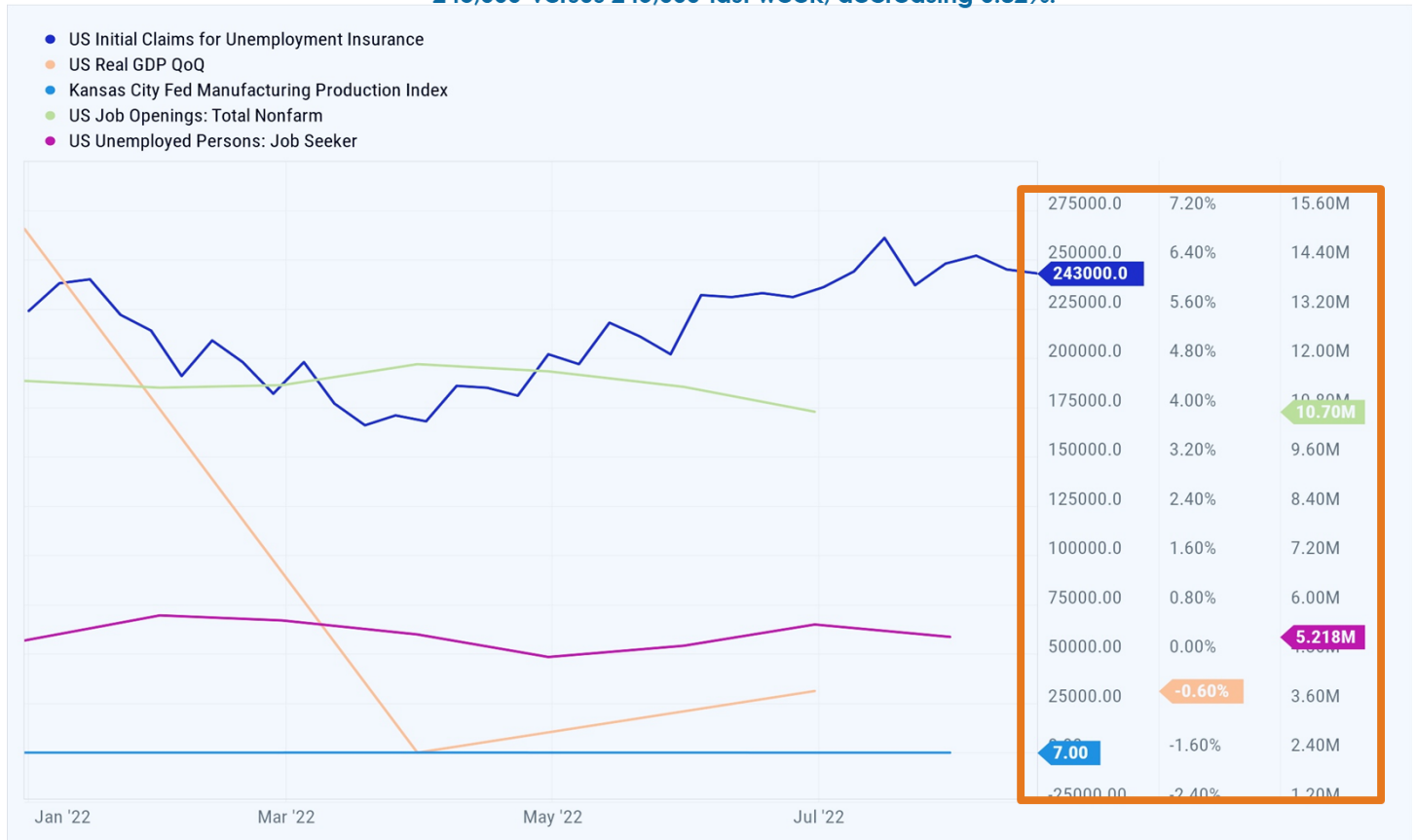


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Unemployment Data, US GDP QoQ & Kansas City Fed Production Index

8.25.22

The federal Labor Department reported on August 4 that jobless claims fell to 243,000 versus 245,000 last week, decreasing 0.82%.

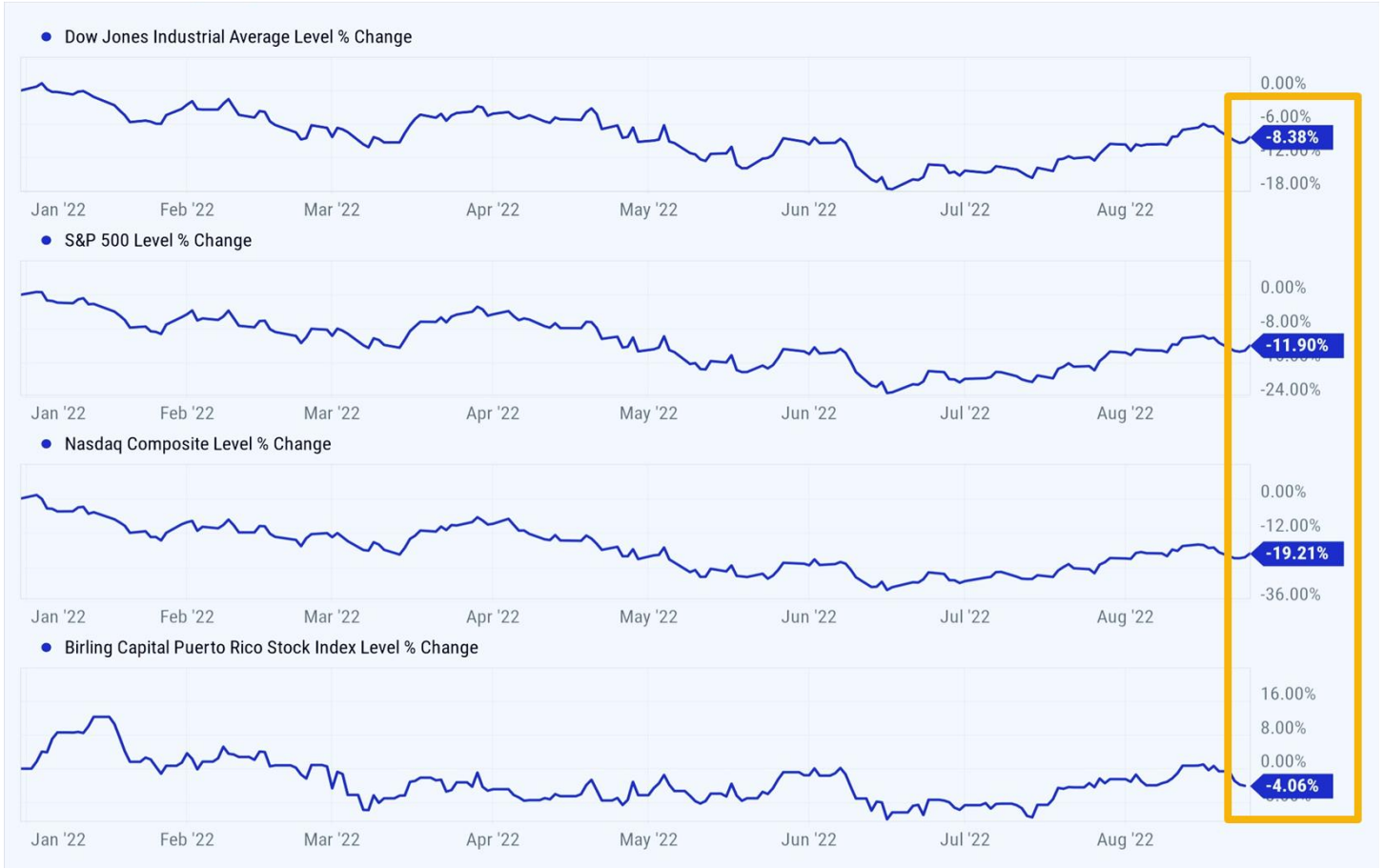




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Wall Street August 25, 2022

YTD Returns





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Wall Street Recap

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