

August 31, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets closed the session with losses as investors continued to act upon the comments made at Jackson Hole by Federal Reserve Bank Chairman Jerome Powell that affirmed that the Bank is focusing on fighting to bring inflation down to its 2% target.

Now two Fed Presidents have continued the inflation-fighting conversation; those making critical statements include N.Y. Fed President John Williams and Cleveland Federal Reserve President Loretta Mester.

N.Y. Fed President Williams said, "We're going to need to have a restrictive policy for some time and not something the Fed is going to do for a concise period and then change course".

While Cleveland Fed President Mester said, "I see interest rates rising over 4% in the next few months", this is much higher than the current range of 2.25%-2.50%.

Also, the market is anxiously expecting the claims for unemployment that report tomorrow and Friday's U.S. nonfarm payrolls report. The consensus estimates call for an increase of 300,000 jobs, down from the 528,000 reported last month. These reports are vital in determining how stable the U.S. economy remains.

It's time to review the year-to-date returns of the key sectors showing that energy and utilities are the only two with positive returns; we rank by alphabetical order:

- Basic Materials -15.74%
- Communication Services -30.16%
- Consumer Cyclical -23.18%
- Consumer Defensive -4.60%
- Energy +46.38%
- Financial Services -14.72%
- Healthcare -10.88%
- Industrials -11.43%
- Real Estate -18.93%
- Technology -21.44%
- Utilities +4.54%

Key Economic Data:

- Chicago PMI: fell to 52.10, down from 56.00 last month, decreasing -6.96%.
- Canada Real GDP QoQ: rose to 3.27%, compared to 3.10% last quarter.
- Germany's Unemployment Rate: rose to 5.60%, compared to 5.40% last month.
- Japan Housing Starts YoY: fell to -5.44%, compared to -2.25% last month.

Puerto Rico COVID-19 Update August 31:

- Daily Cases: 369, down 17.07%
- Positivity Rate: 24.65%, down 1.51%
- Hospitalizations: 319, up 3.76%.
- Deaths: 10, up 66.66%.
- Source Puerto Rico Department of Health.

Eurozone Summary for August 31:

- Stoxx 600 closed at 415.56, down 4.25 points or 1.01%.
- FTSE 100 closed at 7,284.15, down 77.48 points or 1.05%.
- Dax Index closed at 12,834.96, down 126.18 points or 0.97%.

Wall Street Summary for August 31:

- Dow Jones Industrial Average closed at 31,510.43, down 280.44 points or 0.88%.
- S&P 500 closed at 3,955.00, down 31.16 points or 0.78%.
- Nasdaq Composite closed at 11,816.20, down 66.93 points or 0.56%.
- Birling Capital Puerto Rico Stock index closed at 2,696.95, down 21.45 points or 0.79%.
- The U.S. Treasury 10-year note closed at 3.15%.
- The U.S. Treasury 2-year note closed at 3.45%.



Chicago PMI, Canada GDP, Germany Unemployment Rate & Japan Housing Starts

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- Chicago PMI (I:CHIPMI)
- Canada Real GDP QoQ (I:CRGDPQQ)
- Germany Unemployment Rate (I:GURU8UFW)
- Japan Housing Starts YoY (I:JCHS)





Wall Street Recap

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