

## The Moody's downgrades or places under review 15 banks reigniting investor fears, and Wall Street closes lower.

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The U.S. and European stock markets closed down on renewed concerns over the safety and soundness of the U.S. Banking sector following a wave of credit downgrades by Moody's' Investor Services.

So far, more than 15 banks have been downgraded or placed under review by Mooy's, below we share the list and current rating. These rating actions reignite investor fears and trust in the banking sector with a broader impact than the one caused by the collapse of Silicon Valley Bank.

We share a sample list of some of the banks downgraded or placed under review:

### **Banks Downgraded:**

1. **Pinnacle Financial:** Downgraded to BAA2
2. **Fulton:** Downgraded to BAA2
3. **Associated Banc-Corp:** Downgraded to BAA2
4. **M&T Bank Corp:** Downgraded to BAA1
5. **Commerce Bank:** Downgraded to A3

### **Banks on review:**

1. **Bank of New York Mellon:** Review for downgrade
2. **U.S. Bancorp:** Review for downgrade
3. **Truist Financial:** Review for downgrade
4. **State Street:** Review for downgrade
5. **Northern Trust:** Review for downgrade

The main concern around the bank downgrades is the general health of the banking sector. If we see more bank failures, things will get very complicated.

Moving to the Federal Reserve Bank interest rate campaign, the Philadelphia Fed President Patrick Harker stated that the Fed could end its current rate-hiking cycle. The statement provides credibility to the narrative that the current cycle is over and could signal that interest rates could begin to come down in 3Q2024.

Lastly, the once mighty Chinese economy continues to falter, with the latest economic data showing widespread weakness for one of its Producer Price Index fell to -5.40%, Exports fell -14.50%, A 252% decrease from the long-term average of 9.54% and Imports fell to -12.36%.

## GDPNow

- The GDPNow forecast for the third quarter of 2023 was updated on August 8, 2023, to 4.10% GDP, a 5.13% increase.

## Key Economic Data:

- **U.S. Trade Balance on Goods:** improved to -88.19 billion, up from -90.98 billion last month and up from -99.21B one year ago.
- **U.S. Wholesale Inventories MoM:** fell to -0.51%, compared to -0.42% last month.
- **Germany Consumer Price Index YoY:** fell to 6.20%, compared to 6.40% last month.
- **China Inflation Rate:** fell to 0.00%, compared to 0.20% last month.
- **China Producer Price Index YoY:** fell to -5.40%, compared to -4.60% last month.
- **China Trade Balance:** rose to 80.60 billion, up from 70.62 billion last, increasing 14.13%.
- **China Exports YoY:** fell to -14.50%, compared to -12.41% last month. A 252% decrease from the long-term average of 9.54%
- **China Imports YoY** is at -12.36%, compared to -6.80% last month and 1.36% last year.

## Eurozone Summary:

- **Stoxx 600** closed at 458.48, down 1.20 points or 0.26%.
- **FTSE 100** closed at 7,527.42, down 27.07 points or 0.36%.
- **Dax Index** closed at 15,774.93, down 175.83 points or 1.10%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 35,314.44, down 158.64 points or 0.45%.
- **S&P 500** closed at 4,499.38, down 19.06 points or 0.42%.
- **Nasdaq Composite** closed at 13,884.32, down 110.07 points or 0.79%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,072.55, up 22.76 points or 0.75%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,977.64, up 26.68 points or 0.68%.
- **U.S. Treasury 10-year note** closed at 4.02%.
- **U.S. Treasury 2-year note** closed at 4.74%.



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## GDP Now 8.8.23 3Q23 Forecast

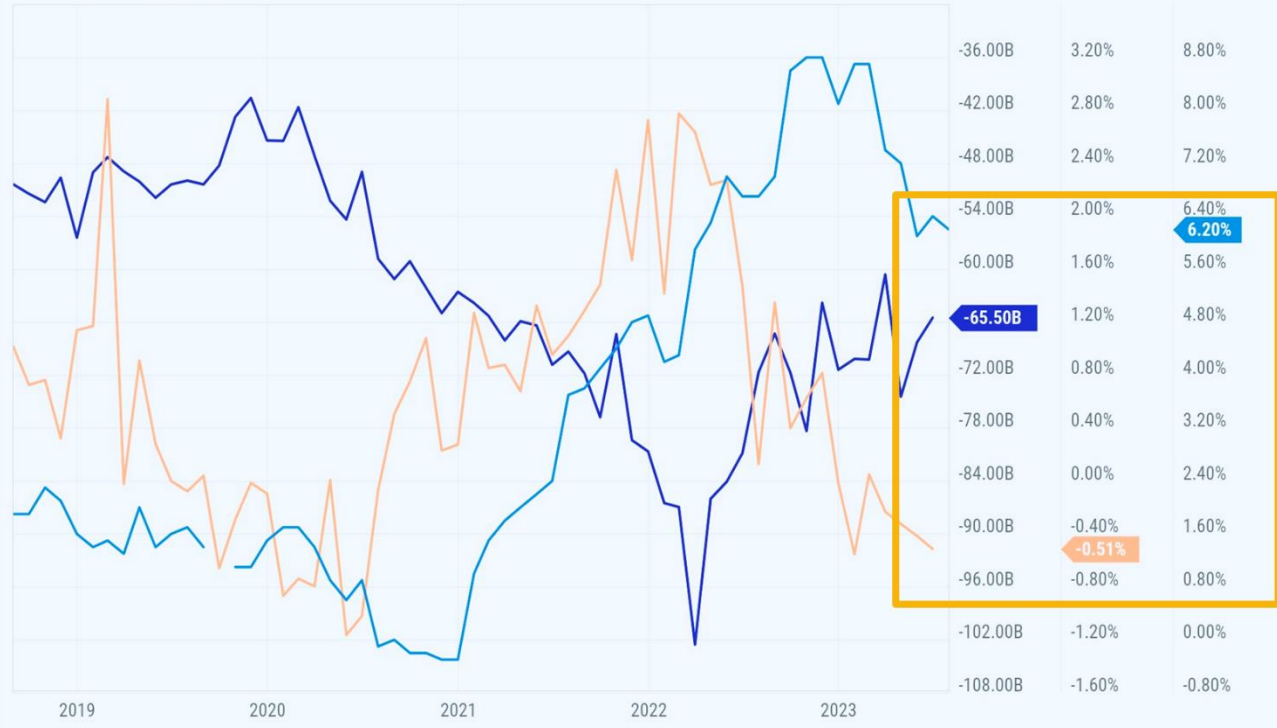
Date	GDPNow 3Q23	Change
7/28/2023	3.50%	Initial Forecast
8/1/2023	3.90%	11.43%
8/8/2023	4.10%	5.13%



# US Trade Balance, US Wholesale Inventories & Germany Consumer Price Index

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- US Trade Balance on Goods and Services
- US Wholesale Inventories MoM
- Germany Consumer Price Index YoY

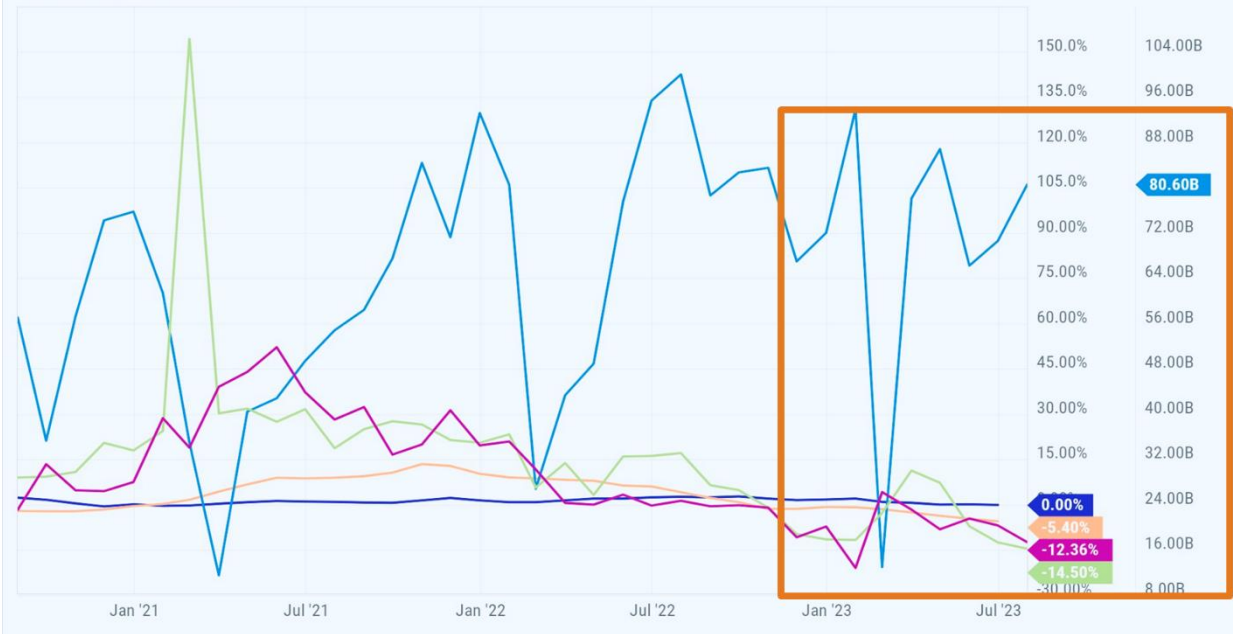




# China Inflation Rate, China PPI, China Trade Balance, China Exports & China Imports

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- China Inflation Rate (I:CNIR)
- China Producer Price Index YoY (I:CCPPI)
- China Trade Balance (I:CTBNM)
- China Exports YoY (I:CEYY)
- China Imports YoY (I:CIYY)





# Wall Street Recap

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