

The US. Market Retreat Signals Healthy Pause in Robust Rally, Initial Jobless Claims Rise, Setting Stage for Pivotal March Employment Report.

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The US and European stock markets closed with asymmetrical results in Wall Street stocks relinquishing early gains to close notably lower. The U.S. equity markets experienced a late session decline, ending the day with a 1% loss, extending the cautious tone of the second quarter's outset.

Thursday's downturn can be attributed to escalating tensions in the Middle East, surging oil prices, and remarks from Fed officials underscoring their intent to await further evidence of declining inflation before considering rate adjustments. Bonds mirrored this risk-averse sentiment, with the 10-year Treasury yield dropping to 4.31%.

The market retreat doesn't signify a seismic shift in market sentiment. Still, it appears to be a healthy pause amid the market's robust rally since last October, likely driven by profit-taking and portfolio adjustments as the new quarter begins.

As the Israel-Hamas tension worsens, crude oil has surged over 18% in the past two months, and gold has gained 15% since mid-February. This trend may be linked to rising oil prices, currently at their highest since last October, potentially threatening declining inflation and driving up gold prices, perceived as an inflation hedge. While there's merit to this narrative, it may be premature to anticipate a resurgence in inflation solely based on oil prices. While energy costs could impact headline CPI, core CPI, excluding food and energy, remains more influential.

Focus shifts to employment data, with the Initial jobless claims for the week increasing to 221,000, slightly above expectations and the highest since late January. While this doesn't signal significant labor market deterioration, it aligns with the anticipation of some softness in the labor market ahead. However, initial claims remain historically low, and the four-week average is lower than a year ago. Additionally, continuing claims decreased, indicating that sidelined workers aren't facing significant hurdles in finding new employment. These figures set the stage for Friday's pivotal March employment report, expected to reveal approximately 200,000 new nonfarm payrolls and a slight decrease in the unemployment rate.

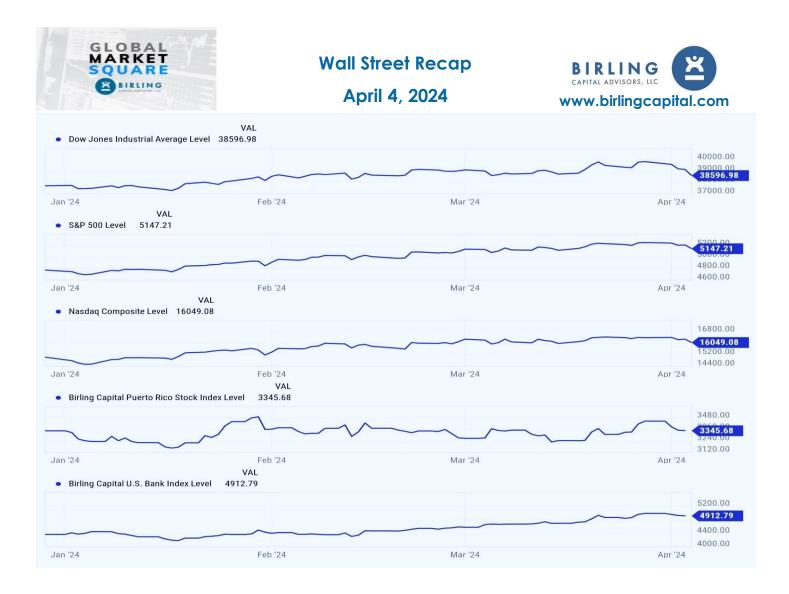
## Eurozone Summary:

- **Stoxx 600** closed at 510.84, up 0.82 points or 0.16%.
- FTSE 100 closed at 7,975.89, up 38.45 points or 0.48%.
- Dax Index closed at 18,403.13, up 35.41 points or 0.19%.

## Wall Street Summary:

- Dow Jones Industrial Average closed at 38,596.98, down 530.16 points or 1.35%.
- **S&P 500** closed at 5,147.21, down 64.28 points or 1.23%.

- Nasdaq Composite closed at 16,049.08, down 228.38 points or 1.40%.
- Birling Capital Puerto Rico Stock Index closed at 3,345.68, down 3.52 points or 011%.
- Birling Capital U.S. Bank Stock Index closed at 4,912.79, down 7.30 points or 0.15%.
- U.S. Treasury 10-year note closed at 4.31%.
- U.S. Treasury 2-year note closed at 4.65%.



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