



March Madness on Wall Street Registers the Worst Week of 2024, GDPNow Dips, 303,000 New Jobs Added, Optimism Remains.

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The U.S. and European stock markets closed the week with asymmetrical results; Wall Street markets surged higher following the release of the U.S. nonfarm-payrolls report, which revealed a robust addition of 303,000 jobs in March, surpassing expectations. The Dow Jones, with 307.06 points, followed by the tech-centric Nasdaq, led the charge with 199.44 points, and the broader S&P 500 rose 57.13 points, but the gains were not enough to avoid registering the worst week of 2024. This positive momentum came after a three-day downturn that saw the Dow Jones fall -2.27 % in the week, followed by the S&P 500, which fell -0.95%, the Nasdaq Composite fell -0.80%, the Birling Puerto Rico Stock Index fell -1.40% and the Birling U.S. Bank Index fell -1.90% the worst decline of the year. Treasury yields also saw an uptick, with the 10-year Treasury yield rising by 1.85% to 4.39%, nearing the year's highs.

The most recent labor market performance and the resilience of the U.S. economy have been key drivers behind the upward trajectory in yields. There's a growing sentiment that the Federal Reserve may enact fewer rate cuts this year than initially anticipated. Despite the prevailing "higher for longer" interest rate environment, investors find solace in the robustness of the U.S. economy, which is still on track to surpass trend growth this quarter.

The latest nonfarm-payrolls report underscores the strength of the U.S. labor market, with March's job additions exceeding forecasts and the unemployment rate trending down to 3.80%. This consistent performance marks the 26th consecutive month of unemployment below 4.0%, a milestone not seen since the 1960s. While average hourly earnings moderated slightly, the overall balance between labor supply and demand appears favorable, with a gradual uptick in labor-force participation and a cooling in job openings.

Investors now turn their attention to the upcoming March consumer price index (CPI) inflation data, scheduled for release on April 11. The latest Inflation Nowcasting has the CPI at 3.41%, an increase of 8.25% from the previous month's CPI of 3.15%, and the Core CPI at 3.73%, a decrease of 0.79% from last month's 3.76% Core CPI.

The CPI data provides crucial insights into headline and core inflation, especially given the slightly elevated inflation figures observed in January and February. Overall, the outlook suggests a gradual moderation in inflation towards the end of the year, underpinning a cautiously optimistic economic landscape.

GDPNow Update:

- The GDPNow for the first quarter of 2024 was updated on April 4. It fell to 2.50% GDP from 2.80% GDP, a 12% decrease.

Key Economic Data:

- **U.S. Nonfarm Payrolls MoM:** rose to 303,000, up from 270,000 last month, rising 12.22% from last month.
- **U.S. Unemployment Rate:** fell to 3.80%, compared to 3.90% last month.
- **U.S. Labor Force Participation Rate:** rose to 62.70%, compared to 62.50% last month.
- **U.S. Recession Probability:** is unchanged at 58.31%, compared to 58.31% last month.
- **U.S. Consumer Credit Outstanding MoM:** rose to \$19.49 billion, up from \$919.41 million last month, an increase of 2,002%.
- **Canada Employment Net Change:** fell -2,200, down from 40,700 last month.
- **Canada Unemployment Rate:** rose to 6.10%, compared to 5.80% last month.
- **Canada Labour Force Participation Rate:** is unchanged at 65.30%, compared to 65.30% last month.
- **Eurozone Retail Trade YoY:** is at -0.70%, compared to -0.90% last month.
- **Japan Business Conditions Composite Coincident Index:** fell to 110.90, down from 112.10 last month, decreasing -1.07%.

Eurozone Summary:

- **Stoxx 600** closed at 506.55, down 4.29 points or 0.84%.
- **FTSE 100** closed at 7,911.16, down 64.73 points or 0.81%.
- **Dax Index** closed at 18,175.04, down 228.09 points or 1.24%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,904.04, up 307.06 points or 0.80%.
- **S&P 500** closed at 5,204.34, up 57.13 points or 1.11%.
- **Nasdaq Composite** closed at 16,248.52, up 199.44 points or 1.24%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,337.00, down 8.48 points or 0.25%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,856.74, down 56.04 points or 1.14%.
- **U.S. Treasury** 10-year note closed at 4.39%.
- **U.S. Treasury** 2-year note closed at 4.73%.



Inflation Nowcasting CPI and Core CPI

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Inflation Nowcasting

Mar-24	CPI Forecast 3.41%	Core CPI Forecast 3.73%
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GDPNow for 1Q24

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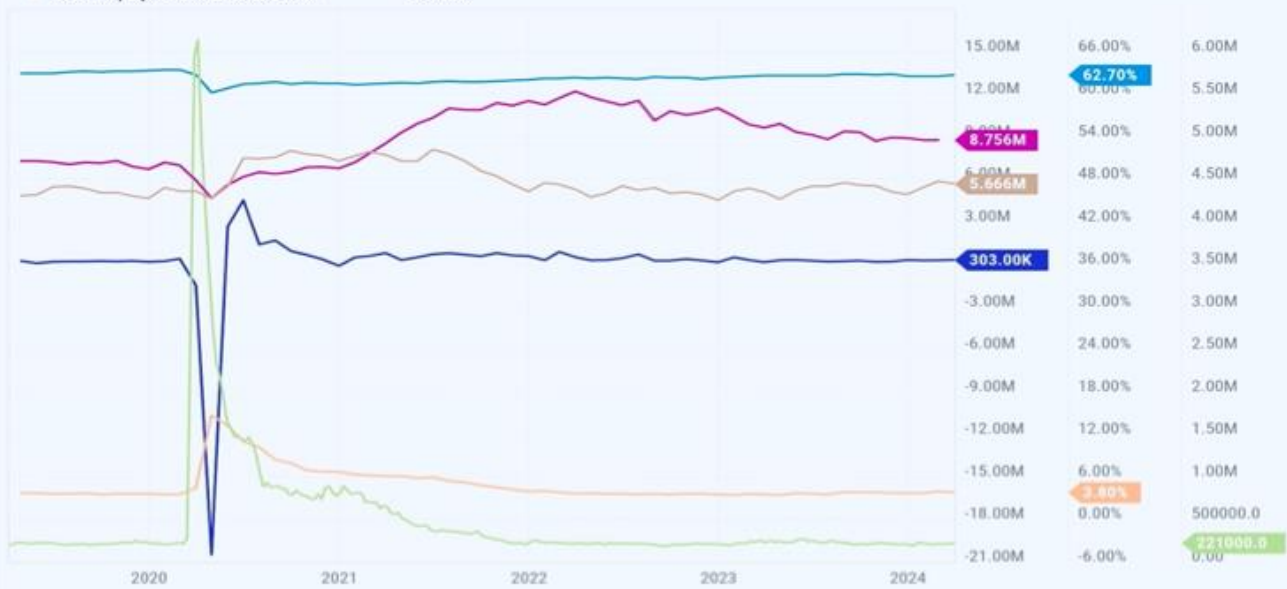
Date	GDPNow 1Q24	Change
1/26/24	3.00%	Initial Forecast
2/8/24	3.40%	13.3%
2/16/24	2.90%	-17.2%
2/29/24	3.00%	3.3%
3/1/24	2.10%	30.0%
3/6/24	2.50%	16.0%
3/7/24	2.50%	0.0%
3/14/24	2.30%	-8.7%
3/19/24	2.10%	-9.5%
3/29/24	2.30%	8.7%
4/1/24	2.80%	17.9%
4/4/24	2.50%	-12.0%



US Nonfarm Payrolls, US Unemployment Rate, US Participation Rate, US Claims for Unemployment, US Job Openings & US Job Seekers

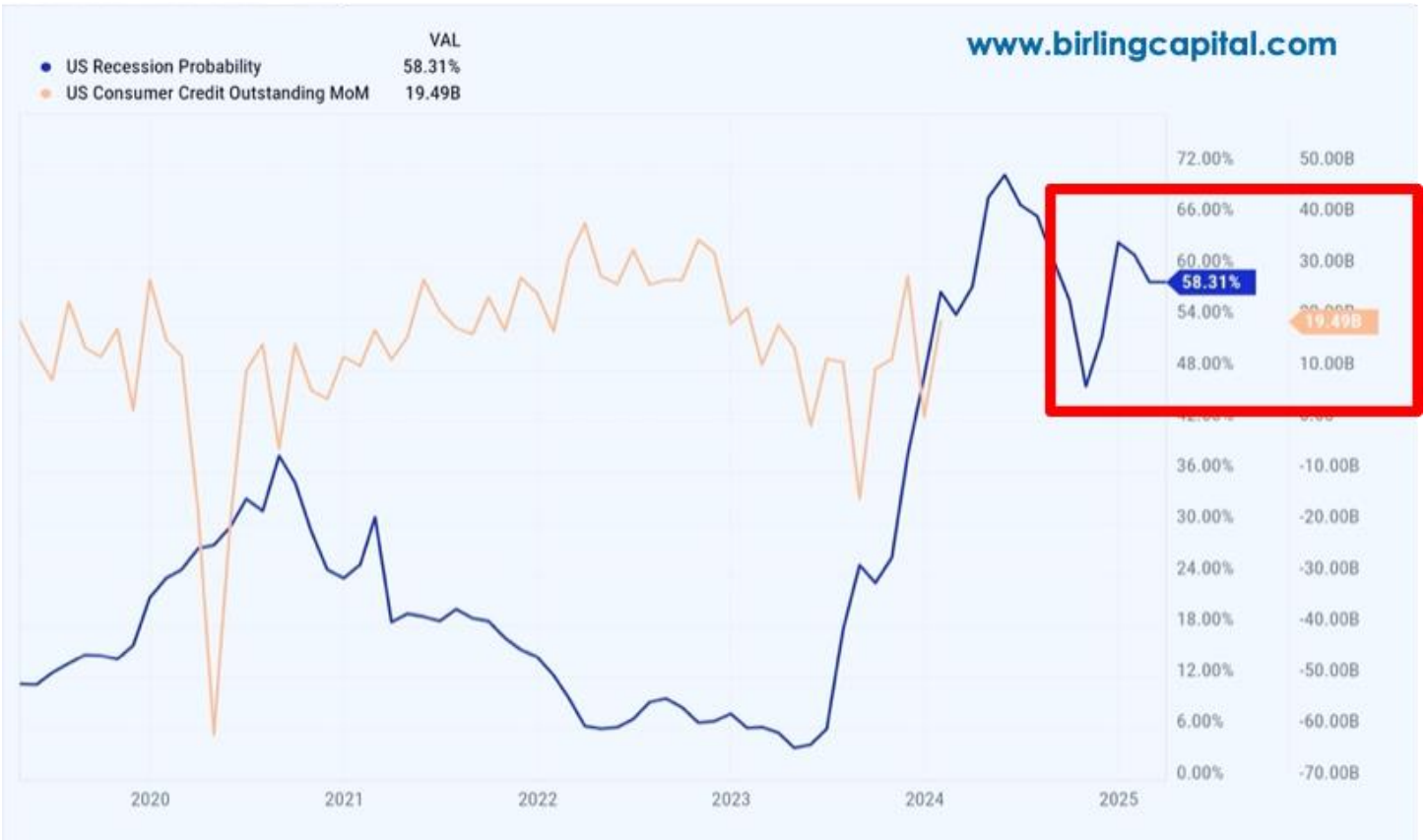
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● US Nonfarm Payrolls MoM	303.00K
● US Unemployment Rate	3.80%
● US Labor Force Participation Rate	62.70%
● US Initial Claims for Unemployment Insurance	221000.0
● US Job Openings: Total Nonfarm	8.756M
● US Unemployed Persons: Job Seeker	5.666M



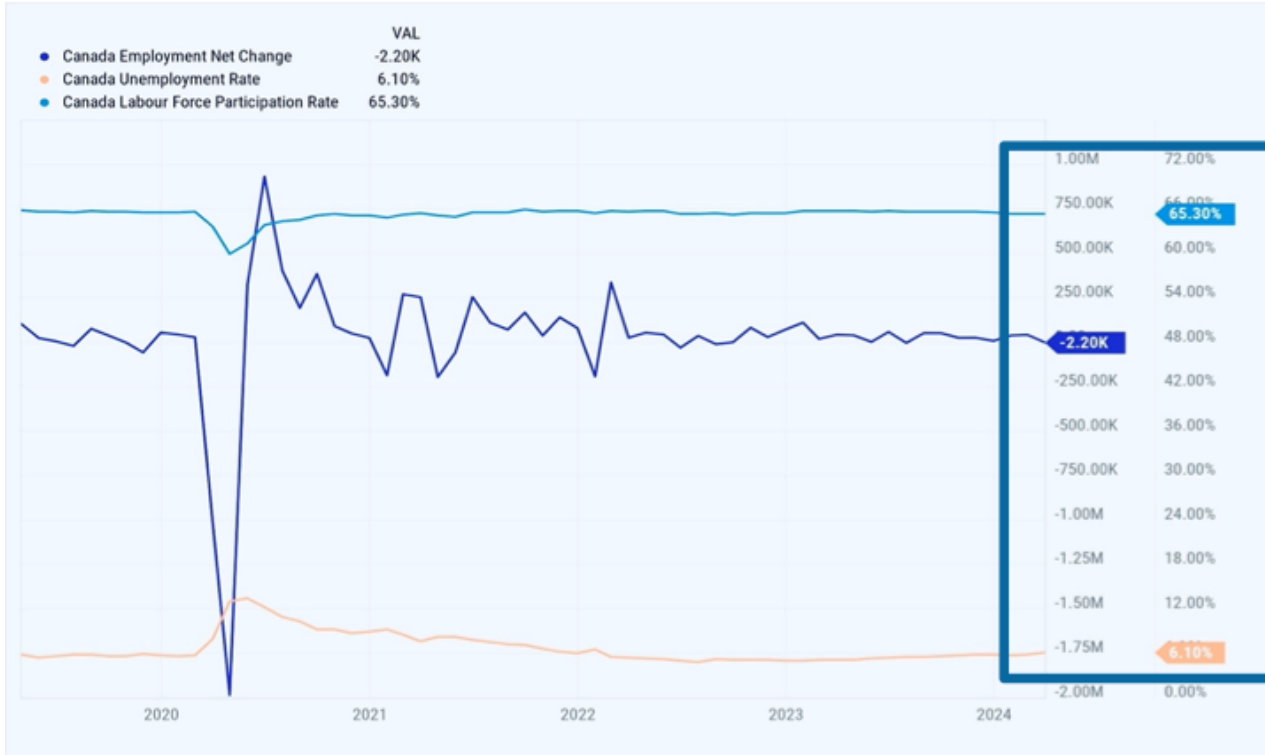


US Recession Probability & US Consumer Credit Outstanding



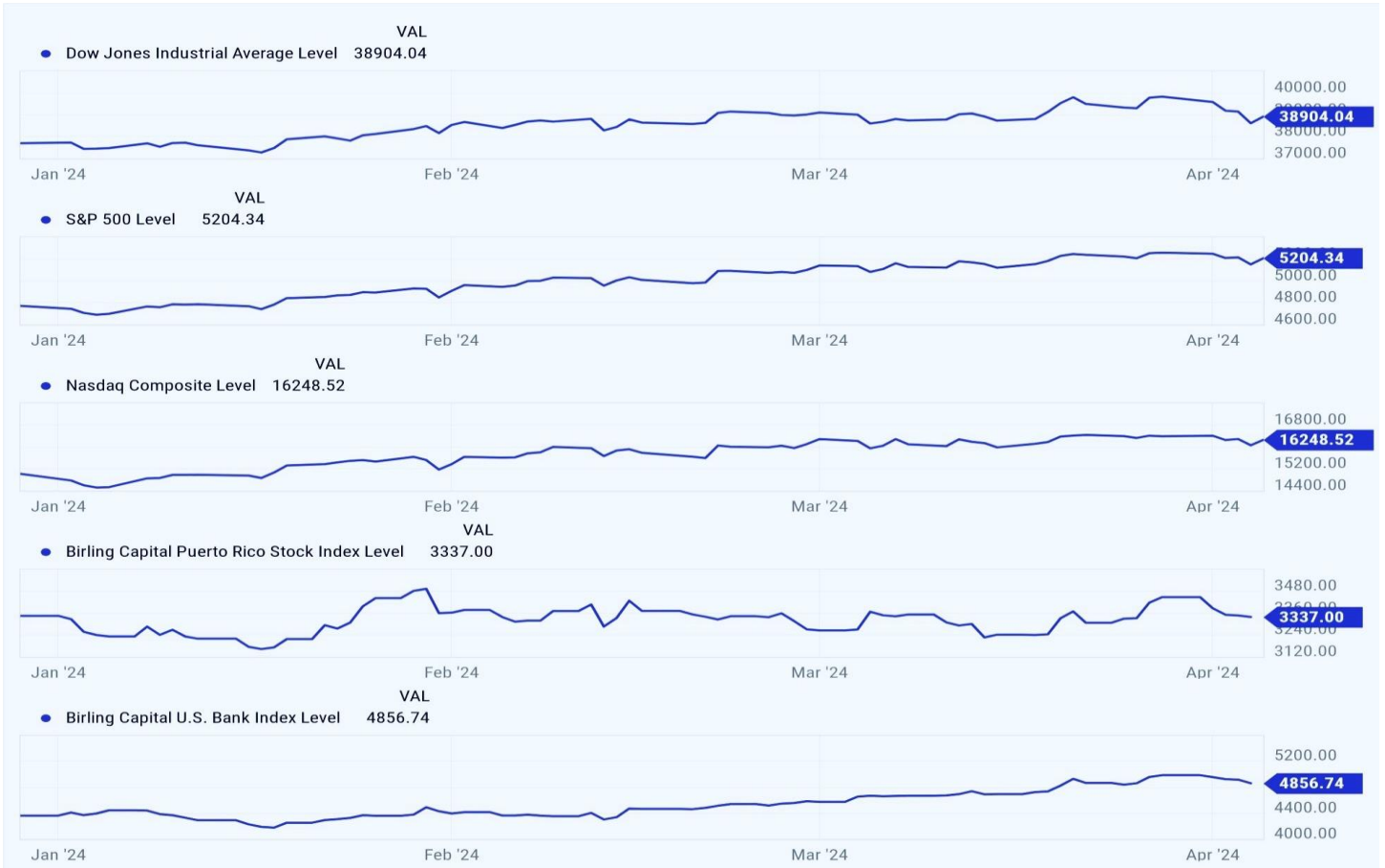


Canada Employment Net Change, Canada Unemployment Rate and Canada Participation Rate





Wall Street Recap April 5, 2024



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