

GLOBAL MARKET SQUARE



The U.S. Gas Prices fell to \$3.35 below their level one year ago, and the Wall Street sell-off continues.

December 19, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets began the week with asymmetrical results; in the U.S., the asset sell-off that began last week remains on full display as the investor sentiment has turned quite pessimistic.

While the U.S.'s pessimistic tone stems from an unrealistic belief of the actions the Fed needs to undertake to fight inflation and thus believes that Fed should have paused the rate increases, a view inconsistent with the Fed's stance on inflation.

The U.S. inflation rate is currently at 7.11%, some 255% above the Fed's 2% target; this is why a pause in the interest rate campaign was impossible.

There is some good news in the U.S. Retail Gas Price as last week fell to \$3.353, positioning the price some -2.53% below one year ago.

During the week, there will be a smorgasbord of economic data to review, including the Personal Consumption Expenditures (PCE), which is forecasted to fall to 5.56%, and the Core PCE is expected to reach 4.72%.

The Other economic data includes:

- U.S. Housing Starts
- U.S. Exports of Goods and Services
- U.S. Existing Home Sales
- U.S. Initial Claims for Unemployment Insurance
- U.S. Real GDP QoQ
- U.S. Personal Savings Rate
- 30-Year Mortgage Rate

As investors await the economic data for signs of economic weakness, the broader markets cannot ignore the possibility of a recession. To that end, we will focus our efforts in the first quarter of 2023 on examining the global economic data.

Key Economic Data:

- **NAHB/Wells Fargo US Housing Market Index:** fell 31.00, down from 33.00 last month, decreasing -6.06%.
- **U.S. Retail Gas Price:** fell to \$3.353, down from \$3.504 last week, decreasing -4.31% and -2.53% below compared to one year ago.
- **Germany Ifo Business Climate Index:** rose to 88.60, up from 86.40 last month, increasing 2.55%.
- **Germany Ifo Business Expectations Index:** rose to 83.20, up from 80.20 last month, increasing 3.74%.
- **Germany Ifo Business Situation Index:** rose to 94.40, up from 93.20 last month, increasing 1.29%.

Puerto Rico COVID-19 Update December 19:

- Daily Cases: 259
- Positivity Rate: 23.39%
- Hospitalizations: 217
- Deaths: 0
- Source P.R. Department of Health.

Eurozone Summary for December 19:

- Stoxx 600 closed at 425.87, up 1.13 points or 0.27%.
- FTSE 100 closed at 7,361.31, up 29.19 points or 0.40%.
- Dax Index closed at 13,893.07, up 49.80 points or 0.36%.

Wall Street Summary for December 19:

- Dow Jones Industrial Average closed at 32,757.54, down 162.92 points or 0.49%.
- S&P 500 closed at 3,817.66, down 34.70 points or 0.90%.
- Nasdaq Composite closed at 10,546.03 down 159.38 points or 1.49%.
- Birling Capital Puerto Rico Stock index closed at 2,402.53, down 15.70 points or 0.65%.
- U.S. Treasury 10-year note closed at 3.57%.
- U.S. Treasury 2-year note closed at 4.25%.

NAHB/Wells Fargo US Housing Market Index, US Retail Gas Price, Germany Ifo Business Climate Index, Germany Ifo Business Expectations Index & Germany Business Situation Index

- 30 Year Mortgage Rate
- NAHB/Wells Fargo US Housing Market Index
- US Retail Gas Price
- Germany Ifo Business Climate Index
- Germany Ifo Business Expectations Index
- Germany Ifo Business Situation Index





Wall Street YTD Returns

Dow Jones, S&P 500, Nasdaq Composite & Birling Puerto Rico Stock Index

www.birlingcapital.com





Wall Street Recap

December 19, 2022

www.birlingcapital.com



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.