

# GLOBAL MARKET SQUARE



The GDPNow forecast for the fourth quarter is now 2.70%, Building permits fell by 170,000, and Wall Street closes with gains snapping a four-day losing streak.

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The U.S. & European stock markets faced the surprising late move from the Bank of Japan; a monetary policy contrarian made the surprising move to raise interest rates, and the bank is increasing bond purchases to \$67 billion. These actions took both investors and global banks by surprise.

We can only wonder why the Bank of Japan chose to act so late in the interest rate cycle, and we think the BoJ folded to the aggressive campaign that most central banks have undertaken, which is in its last legs.

In the U.S., the interest rate increases continue to impact the housing markets, which reported housing starts that fell last month by 7,000 and building permits that also fell by 170,000. All the issues at play made investors take notice and snapped a four-day losing streak hoping that lasts until the end of the year.

## GDPNow Update:

- The GDPNow estimate for the fourth quarter was updated today to 2.70% GDP, down from 2.80% on 12/15.

## Key Economic Data:

- **U.S. Housing Starts:** fell to 1.427 million, down from 1.434 million last month, decreasing -0.49%.
- **U.S. Building Permits:** fell to 1.342 million, down from 1.512 million last month, declining -11.24% from last month and -22.38% from one year ago.
- **Canada Retail Sales MoM:** rose to 1.36%, compared to -0.61% last month.
- **Germany Producer Price Index YoY:** fell to 28.20%, compared to 34.50% last month, and remains higher than the long-term average of 6.57%.

## Puerto Rico COVID-19 Update December 20:

- Daily Cases: 271
- Positivity Rate: 23.96%
- Hospitalizations: 220
- Deaths: 12
- Source P.R. Department of Health.

## Eurozone Summary for December 20:

- Stoxx 600 closed at 424.15, down 1.72 points or 0.40%.
- FTSE 100 closed at 7,370.92, up 9.31 points or 0.13%.
- Dax Index closed at 13,884.66, down 58.21 points or 0.42%.

## Wall Street Summary for December 20:

- Dow Jones Industrial Average closed at 32,849.74, up 92.29 points or 0.28%.
- S&P 500 closed at 3,821.62, up 3.96 points or 0.10%.
- Nasdaq Composite closed at 10,537.11, up 1.08 points or 0.01%.
- Birling Capital Puerto Rico Stock index closed at 2,433.48, up 30.95 points or 1.29%.
- U.S. Treasury 10-year note closed at 3.59%.
- U.S. Treasury 2-year note closed at 4.25%.



## GDPNow Update 12/20/22

Date	GDPNow 4Q	Change
11/23/22	4.30%	2.40%
12/6/22	3.40%	-20.9%
12/9/22	3.20%	-5.9%
12/15/22	2.80%	-12.5%
12/20/22	2.70%	-3.6%

# US Housing Starts & US Building Permits

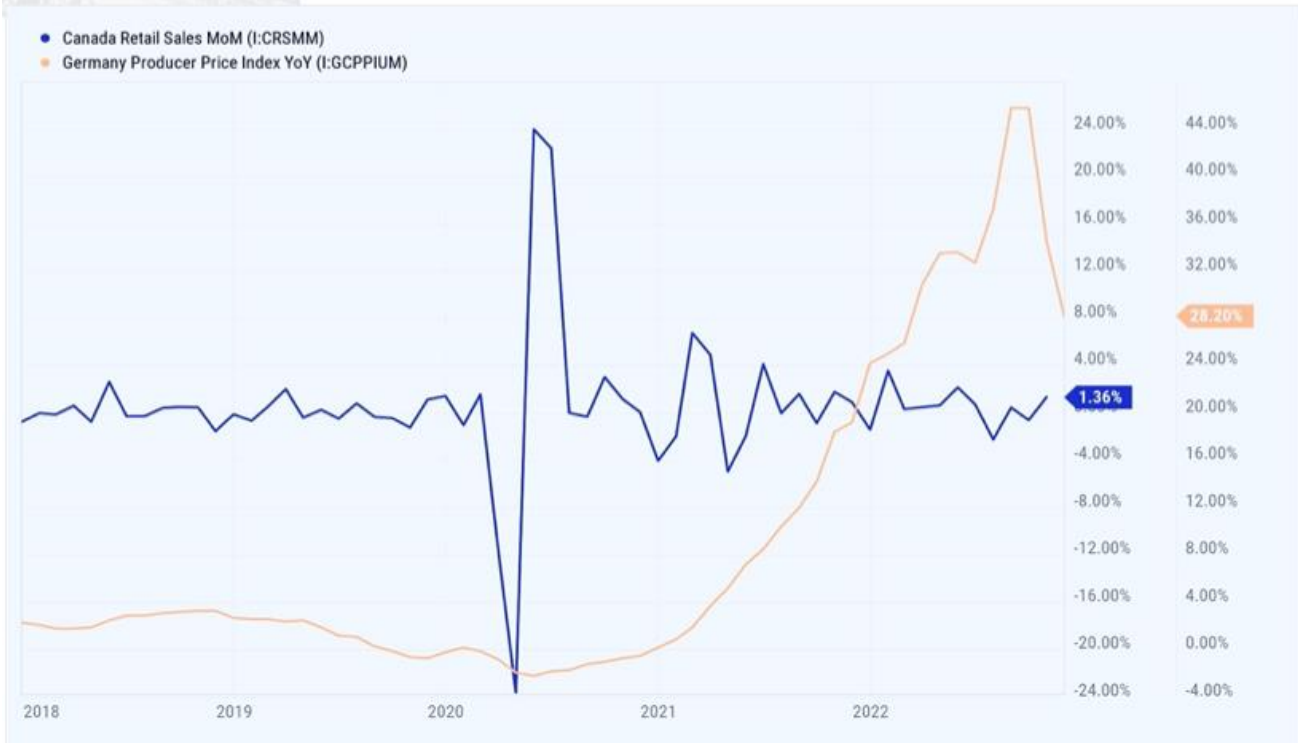
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- US Housing Starts MoM
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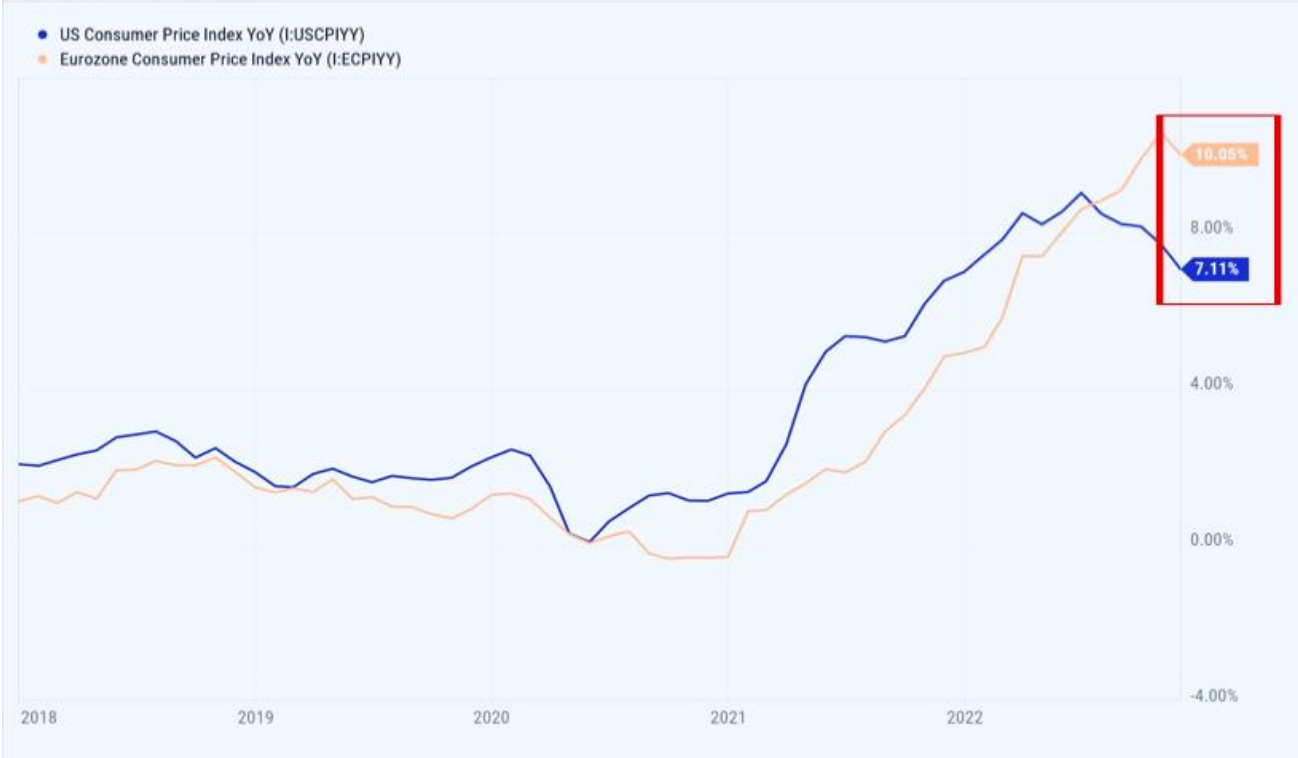


# Canada Retail Sales & Germany Producer Price Index





# U.S. CPI YoY vs. Eurozone CPI Comparison



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