

Fed's Powell's Caution Sparks Market Surge, GDPNow Dips, but Wall Street Defies Odds with Impressive Rise.

December 1, 2023

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The U.S. and European stock markets began December on solid footing, following one of the best months for markets in recent memory.

As Wall Street delivered a historically strong November that allowed the Dow to set a new high for the year, as we dig down deeper, the results are surprising for the five indexes we follow ranked from best to worst:

1. Birling U.S. Bank Index delivered a return of **14.27%**.
2. Birling Puerto Rico Stock Index produced a return of **14.08%**.
3. Nasdaq Composite had a return of **10.70%**.
4. S&P 500 had a return of **8.92%**.
5. Dow Jones made a return of **8.77%**.

As the last month of the year rolled in, the markets continued their upward trajectory. Investors were awaiting the US ISM Manufacturing PMI, which remained unchanged at 46.70%, evidencing that manufacturing activity could not rebound from last month's drop. However, we must consider how much the UAW strike affected the broader manufacturing activity.

A PMI below 50 signifies a shrinking of the manufacturing economy, and the last time the PMI was above 50 was in October 2022 at 50.20, which gives us a clear sign that in 13 months, manufacturing has not roared back.

Lastly, in the expected Speech, Fed Chair Powell pointed out that it was too soon to assume that no more rate increases could happen and that rate cuts could begin as early as March; Mr. Powell said, "It would be premature to conclude with confidence that we have achieved a sufficiently restrictive stance or to speculate on when policy might ease,"

After Powell's speech, the yields of two-year Treasury notes hit a five-month low of 4.56%.

GDPNow Update:

- The GDP Now for the fourth quarter was updated today, and it fell to 1.20% GDP, up from 1.80% GDP, a 50% decrease.

Key Economic Data:

- **U.S. ISM Manufacturing PMI:** is unchanged at 46.70, from 46.70 last month.
- **U.S. Construction Spending MoM:** fell to 0.41%, compared to 0.98% last month.

- **Canada's Employment Net Change:** fell to 17,500, down from 63,800 last month, a decrease of -72.57 %.
- **Canada's Unemployment Rate:** rose to 5.70%, compared to 5.50% last month.
- **Canada's Labour Force Participation Rate:** is unchanged at 65.60%, compared to 65.60% last month.

Eurozone Summary:

- **Stoxx 600** closed at 466.20, up 4.59 points or 0.99%
- **FTSE 100** closed at 7,509.35, up 75.60 points or 1.01%.
- **Dax Index** closed at 16,397.52, up 182.09 points or 1.12%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 36,245.50, up 294.61 points or 0.82%.
- **S&P 500** closed at 4,594.63, up 26.83 points or 0.59%.
- **Nasdaq Composite** closed at 14,305.03, up 78.81 points or 0.55%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,006.17, up 30.66 points or 1.03%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,892.65, up 41.74 points or 1.08%.
- **U.S. Treasury 10-year note** closed at 4.22%.
- **U.S. Treasury 2-year note market** closed at 4.56%.



GDPNow 4Q23

Date	GDPNow 4Q23	Change
10/27/23	2.30%	Initial Forecast
11/1/23	1.20%	-47.8%
11/7/23	2.10%	42.9%
11/8/23	2.10%	0.0%
11/15/23	2.20%	4.5%
11/17/23	2.00%	-9.1%
11/22/23	2.10%	4.8%
11/30/23	1.80%	-16.7%
12/1/23	1.20%	-50.0%



US ISM Manufacturing PMI & US Construction Spending MoM

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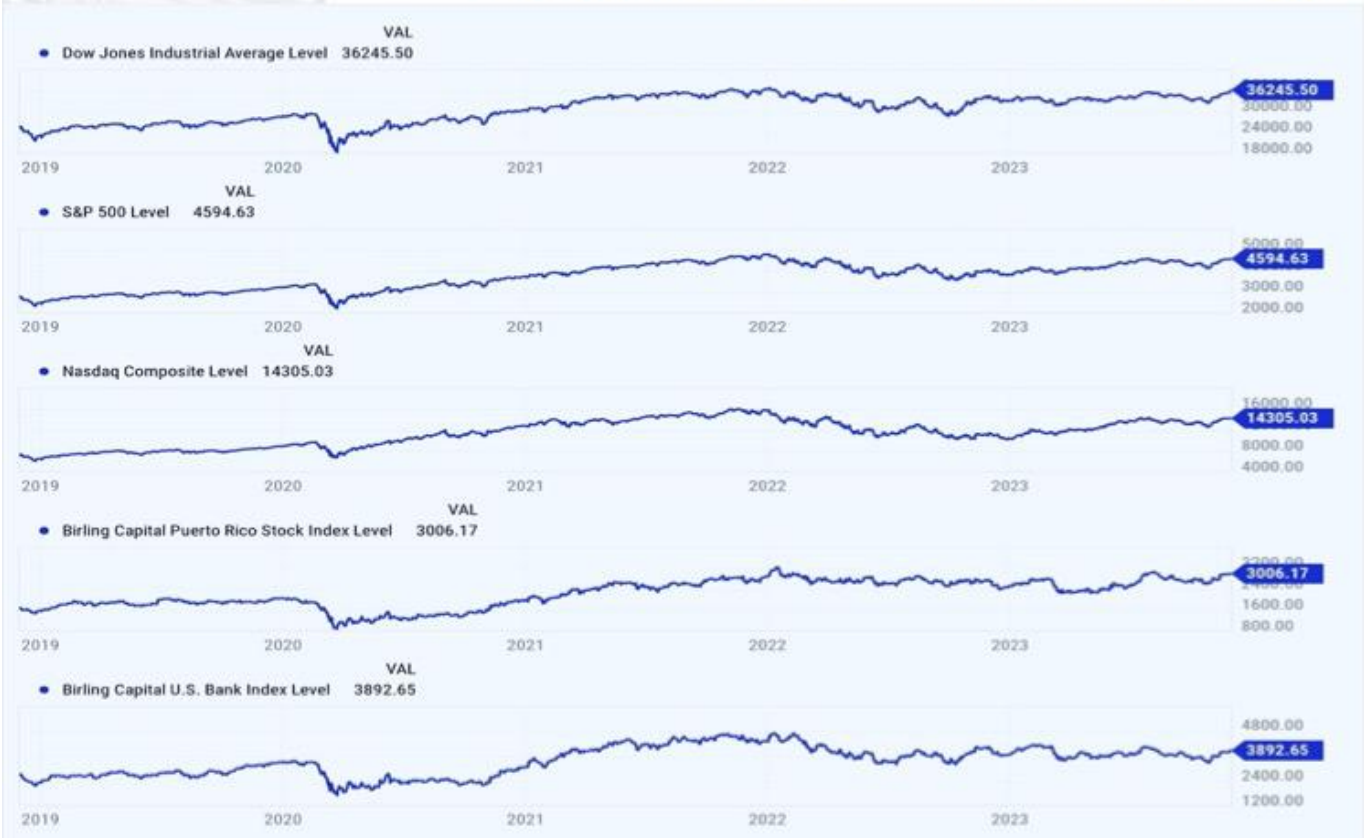




Wall Street Recap

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