

The PCE and Core PCE are on deck on Friday, and the Fed forecasts a 75-basis points rate cut in 2024.

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The U.S. and European Stock markets began the week with mixed results; there were no significant economic headlines today, but as the week marches on, the market tone will be driven by the Fed's economic outlook for 2024 and the weekends with the Fed's Preferred inflation benchmark the Personal Consumption Expenditures which is due to report on Friday, December 22.

The latest Inflation Nowcasting has the PCE at 2.92% and the Core PCE at 3.43%, and the Fed's PCE median forecast is 2.8% for 2023, 2.4% for 2024, and the Core PCE is at 3.2% for 2023 and 2.4% for 2024.

These inflation projections indicate the Federal Reserve's focus on achieving its dual mandate of maximum employment and price stability, though at a more measured pace.

Also, since the Fed has signaled that its target rate for 2024 is 4.6%, most investors now expect at least a 75-basis points reduction in rates during 2024, with the consensus that rates will be within the 2.5%–3.8% range, which has markets jubilant for now.

The five indices we follow the YTD returns are as follows:

- **Nasdaq Composite** has a return of **42.41%**.
- **Birling Capital Puerto Rico Stock Index** has a return of **31.03%**.
- **S&P 500** has a return of **23.47%**.
- **Dow Jones Industrial Average** has a return of **16.81%**.
- **Birling Capital U.S. Bank Stock Index** has a return of **12.65%**.

Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.259, down from \$3.355 last week, decreasing -2.86%.
- **N.Y. Fed Business Leaders Survey Current Business Activity:** fell -14.60, down from -11.90 last month.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 37.00, up from 34.00 last month, increasing 8.82%.
- **Eurozone Unemployment Rate:** is unchanged at 6.50%, compared to 6.50% last month.
- **Germany Ifo Business Climate Index:** fell to 86.40, down from 87.20 last month.
- **Germany Ifo Business Expectations Index:** fell to 84.30, down from 85.10 last month.
- **Germany Ifo Business Situation Index:** fell to 88.50, down from 89.40 last month.

Eurozone Summary:

- **Stoxx 600** closed at 475.32, down 1.29 points or 0.27%.
- **FTSE 100** closed at 7,614.48, up 38.12 points or 0.50%.
- **Dax Index** closed at 16,650.55, down 100.89 points or 0.60%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,306.02, up 0.86 points or 0.00%.
- **S&P 500** closed at 4,740.54, up 21.35 points or 0.45%.
- **Nasdaq Composite** closed at 14,904.81, up 90.89 points or 0.61%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,303.09, down 42.37 points or 1.27%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,306.69, down 11.97 points or 0.28%.
- **U.S. Treasury 10-year note** closed at 3.95%.
- **U.S. Treasury 2-year note market** closed at 4.43%.



Inflation Nowcasting PCE and Core PCE Forecast

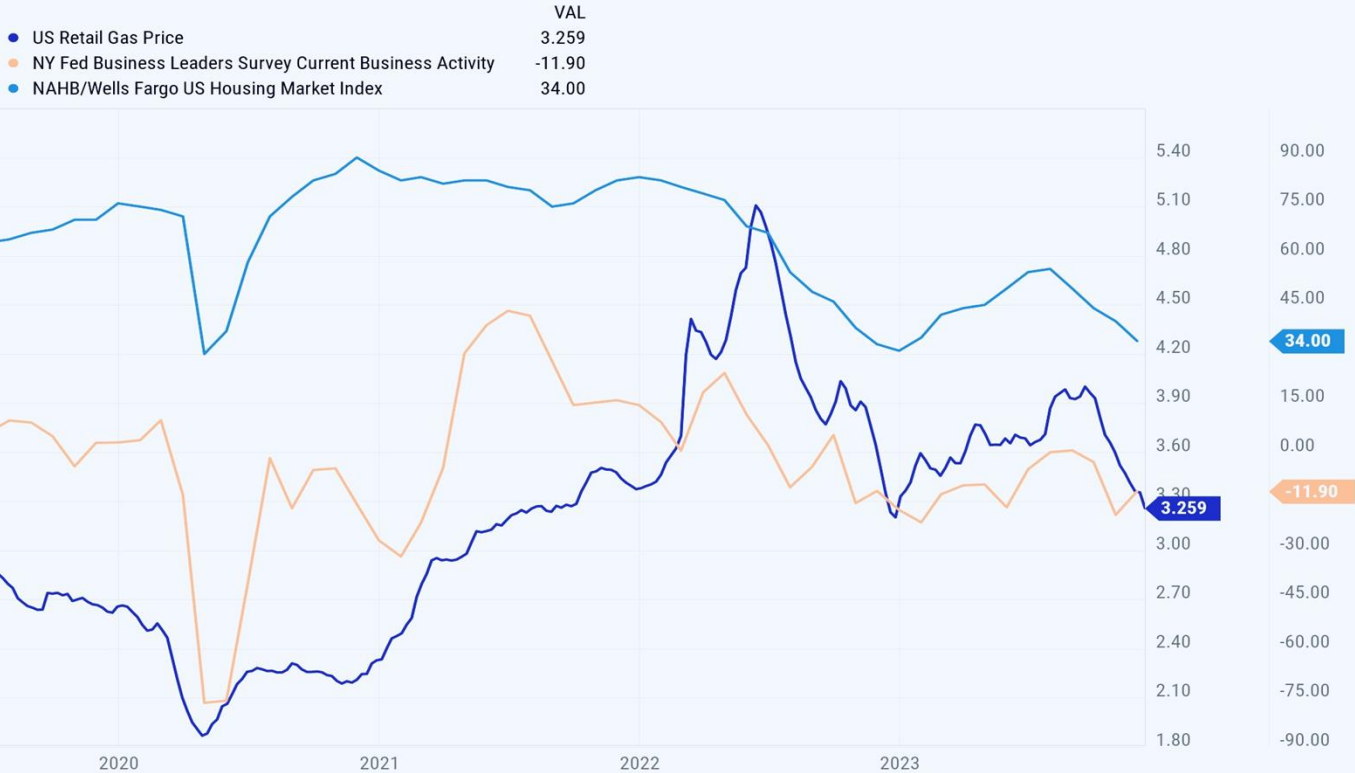
Index	PCE Forecast	Core PCE Forecast
November	2.92%	3.43%



Eurozone Unemployment Rate, Germany Ifo Business Climate, Germany Ifo Business Expectations, and Germany Ifo Business Situation



US Retail Gas Price, NY Fed Business Leader Survey, and NAHB/Wells Fargo US Housing Market Index

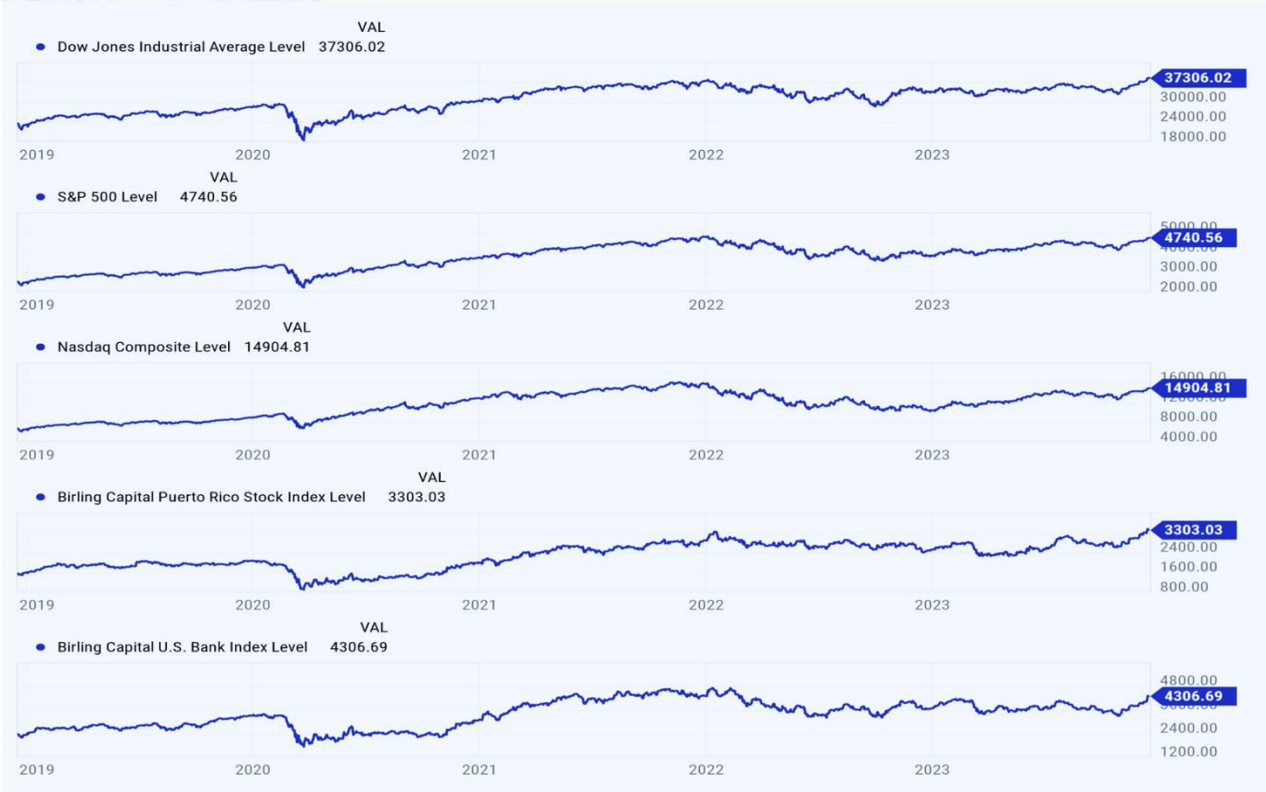




Wall Street Recap

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