

U.S. 3Q23 GDP Lowered, Unpacking the Latest Unemployment and Vehicle Sales Figures as Wall Street Maintains Momentum.

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The U.S. and European stock markets closed with mixed results. Meanwhile, Wall Street retook its rally after stumbling yesterday and closed higher on Thursday ahead of tomorrow's Personal Consumption Expenditures reading. Inflation indicators continue their downward trend – In the latest economic update on Thursday, investors dissected the revised third-quarter GDP figures, encompassing growth, consumption, and inflation metrics. The revised data revealed a moderation in GDP growth for the third quarter, down to 4.9% from the previously reported 5.2% annualized rate. Consumption also experienced a dip, moving from 3.6% to 3.1%. Notably, the GDP price index saw a revision from 3.6% to 3.3%, while the core index shifted from 2.3% to 2.0%. These adjustments align with broader inflation indicators, such as CPI and PPI inflation, which underscores a persistent cooling trend in inflationary pressures across goods and services.

Also, Initial Claims for Unemployment rose slightly by 2,000 more or up 0.99%, and Total Vehicle Sales fell somewhat by 5,000 vehicles or 0.29%.

As we evaluate the market developments, we note that since the market lows of October 27, Wall Street has had quite a rally, recoding significant progress in the five indexes we follow, considering Oct/27/23 to 12/21/23:

1. Birling U.S. Bank Index rose **29.71%**.
2. Birling Capital's Puerto Rico Stock Index rose **25.01%**.
3. Nasdaq Composite has risen **18.53%**.
4. Dow Jones Industrial Average rose **15.38%**.
5. S&P 500 rose **15.29%**.

On the opposite side, the U.S. 10-year Treasury yield peaked on October 25 at 4.95% and has fallen consistently to close today at 3.89%. The downward trend in treasury yields reflects the better inflation readings during the last three months and, more importantly, the Fed 2024 projection that it will decrease rates by 75 basis points.

Key Economic Data:

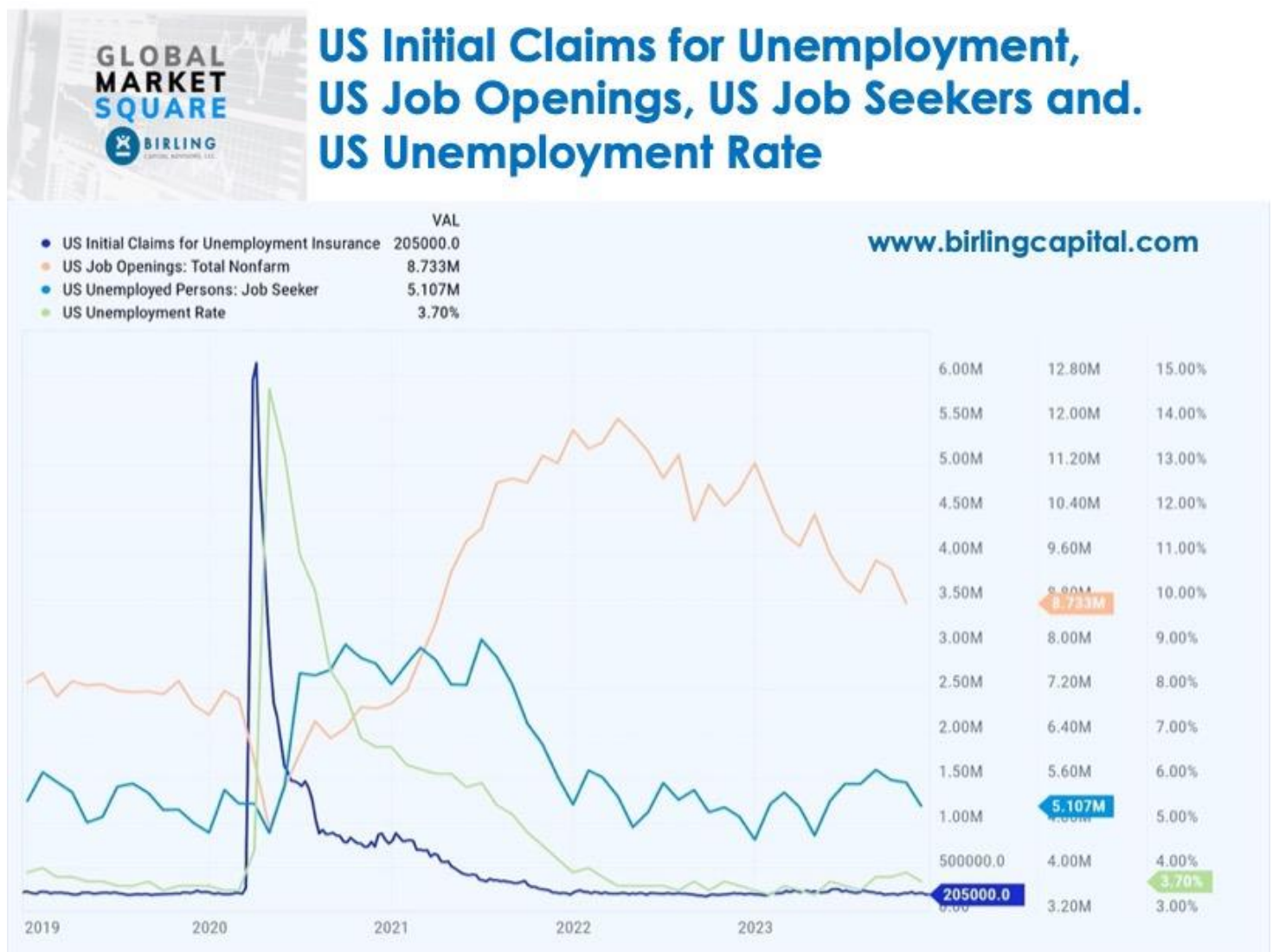
- **U.S. Initial Claims for Unemployment Insurance:** rose to 205,000, up from 203,000 last week, decreasing 0.99%.
- **U.S. Total Vehicle Sales:** fell to 15.86 million, down from 15.91 million last month, decreasing by 0.29%.
- **U.S. Real GDP QoQ:** was adjusted to 4.90%, compared to 2.10% last quarter.
- **U.S. Gross Domestic Purchases Price Index QoQ:** rose to 2.90%, compared to 1.40% last quarter.
- **Kansas City Fed Manufacturing Production Index:** fell to -4.00 from -3.00 last month.
- **Japan Consumer Price Index YoY:** rose to 3.30%, compared to 3.00% last month.

Eurozone Summary:

- **Stoxx 600** closed at 476.94, down 1.00 points or 0.21%.
- **FTSE 100** closed at 7,694.73, down 20.95 points or 0.27%.
- **Dax Index** closed at 16,687.92, down 45.63 points or 0.27%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,424.35, up 322.35 points or 0.87%
- **S&P 500** closed at 4,746.75, up 48.40 points or 1.02%.
- **Nasdaq Composite** closed at 14,963.91, up 185.92 points or 1.26%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,310.80, up 61.42 points or 1.34%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,278.97, down 57.93 points or 1.34%.
- **U.S. Treasury 10-year note** closed at 3.89%.
- **U.S. Treasury 2-year note market** closed at 4.33%.



US Total Vehicle Sales, Kansas City Fed Manufacturing Production Index, 30-Year Mortgage Rate and US Gross Domestic Purchases Price Index

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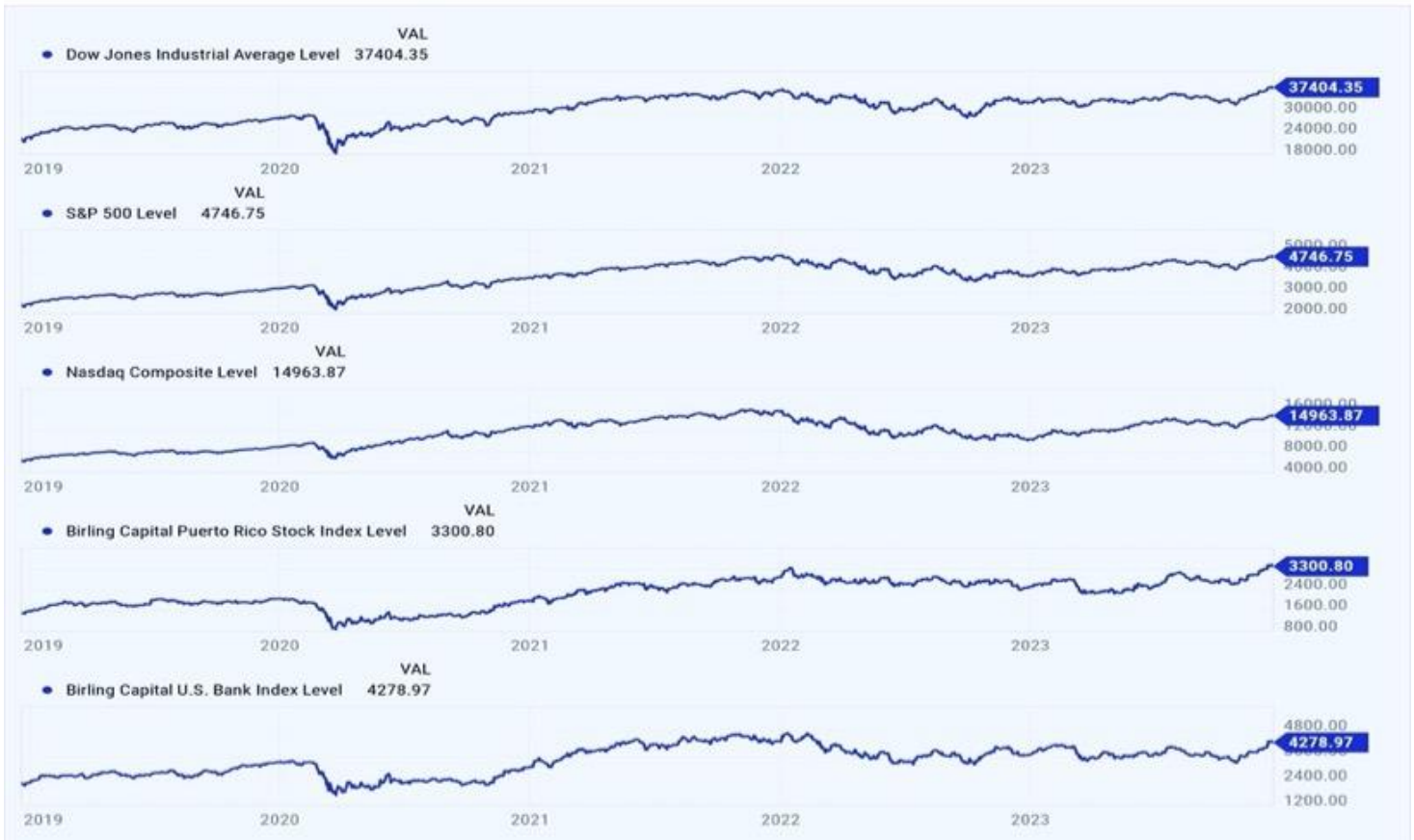
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● US Total Vehicle Sales	15.86M
● Kansas City Fed Manufacturing Production Index	-4.00
● 30 Year Mortgage Rate	6.67%
● US Gross Domestic Purchases Price Index QoQ	2.90%





Wall Street Recap

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