

## The PCE fell to 2.64%, Fed Rate Cuts Get Closer, Consumer Sentiment Surges by 13.70%, and Wall Street closed mixed.

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The U.S. and European stock markets closed mixed ahead of the Christmas Holiday weekend as the markets welcomed the Personal Consumption Expenditures that fell to 2.64%, some 9.59% ahead of the inflation Nowcasting that forecasted 2.92%; also, the Core PCE fell to 3.16%, ahead of the 3.43% forecast by 7.87%.

The PCE at 2.64% is just 24.24% away from the Fed's 2% inflation target rate.

Both readings fell much more than estimates and reaffirm the narrative of interest rate cuts, which the Fed already said would be at least 75 basis points during 2024; the question is how soon?

It is worth noting that after adjusting for inflation, consumer spending accelerated during November, which supports the rising corporate profits.

Even with today's mixed results, all indexes ended the week with solid gains; let's see how the remainder of the month behaves.

Meanwhile, European markets also closed higher, and Asian markets were mixed.

### GDPNow Update:

- The GDPNow was updated today, falling to 2.30% GDP, down from 2.70% GDP, a 17.40% decrease.

### Key Economic Data:

- **U.S. PCE Price Index YoY:** fell to 2.64%, compared to 2.94% last month.
- **U.S. Core PCE Price Index YoY:** fell to 3.16%, compared to 3.39% last month.
- **U.S. Index of Consumer Sentiment:** rose to 69.70, up from 61.30 last month, increasing 13.70%.
- **U.S. Personal Income MoM:** rose to 0.35%, compared to 0.26% last month.
- **U.S. Personal Spending MoM:** rose to 0.25%, compared to 0.11% last month.
- **U.S. New Single-Family Houses Sold:** fell to 590,000, down from 672,000 last month -12.20%.
- **U.S. Durable Goods New Orders MoM:** rose 5.39%, compared to -5.13% last month.
- **Canada Real GDP MoM:** fell 0.03%, compared to 0.04% last month.
- **U.K. Real GDP YoY:** is unchanged at 0.30%, compared to 0.30% last quarter.
- **U.K. Business Investment YoY:** fell to 2.27%, compared to 8.02% last quarter.
- **U.K. Retail Sales excluding Fuel YoY:** rose 0.30%, compared to -2.10% last month.

## Eurozone Summary:

- **Stoxx 600** closed at 477.62, up 0.66 points or 0.14%.
- **FTSE 100** closed at 7,697.51, up 2.78 points or 0.036%.
- **Dax Index** closed at 16,706.18, up 18.76 points or 0.11%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,385.97, down 18.38 points or 0.08%
- **S&P 500** closed at 4,754.63, up 7.88 points or 0.17%.
- **Nasdaq Composite** closed at 14,992.97, up 29.11 points or 0.19%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,328.20, up 27.39 points or 0.83%.
- **Birling Capital U.S.Bank Stock Index** closed at 4,314.64, up 35.67 points or 0.83%.
- **U.S. Treasury 10-year note** closed at 3.90%.
- **U.S. Treasury 2-year note market** closed at 4.31%.



# Inflation Nowcasting

## Inflation Nowcasting

Month	PCE Forecast	PCE Actual	Core PCE Forecast	Core PCE Actual
November	2.92%	2.64%	3.43%	3.16%



# US PCE, US Core PCE, US Index of Consumer Sentiment, US Personal Spending, US Personal Income and US New Single-Family Houses Sold



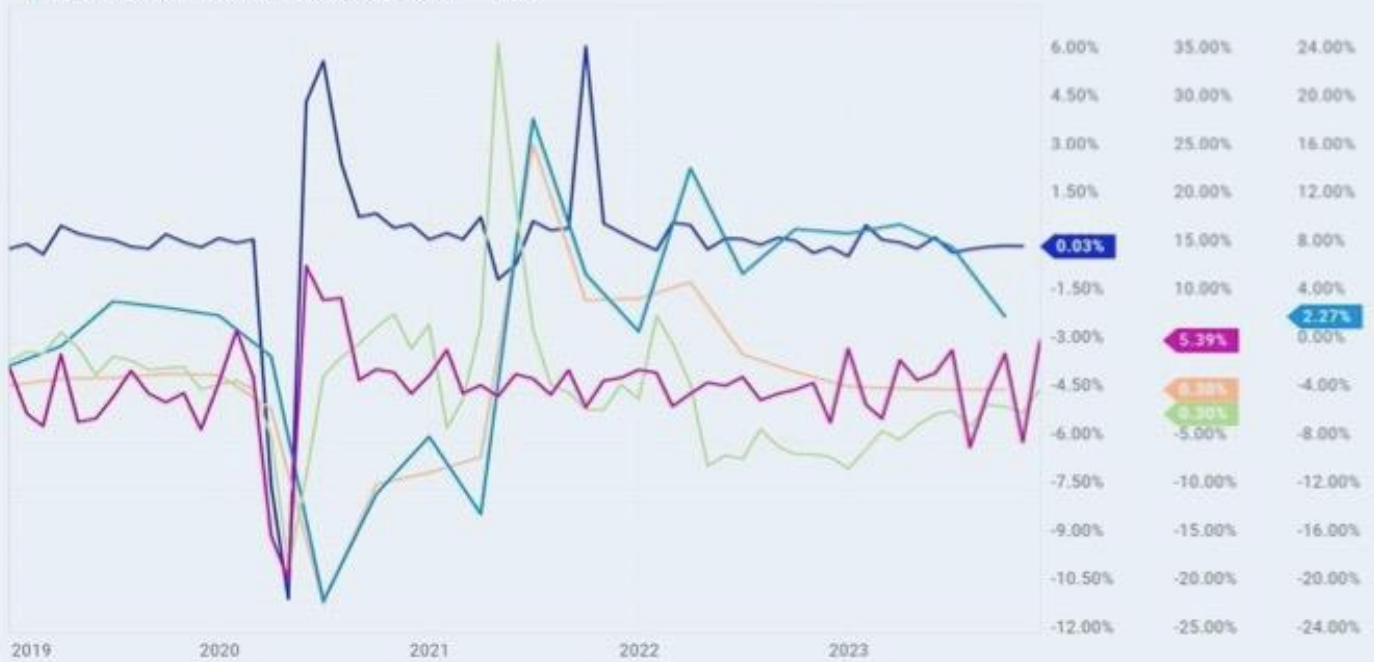


# GDPNow 4Q23

<b>Date</b>	<b>GDPNow 4Q23</b>	<b>Change</b>
<b>10/27/23</b>	<b>2.30%</b>	<b>Initial Forecast</b>
<b>11/1/23</b>	<b>1.20%</b>	<b>-47.8%</b>
<b>11/7/23</b>	<b>2.10%</b>	<b>42.9%</b>
<b>11/8/23</b>	<b>2.10%</b>	<b>0.0%</b>
<b>11/15/23</b>	<b>2.20%</b>	<b>4.5%</b>
<b>11/17/23</b>	<b>2.00%</b>	<b>-9.1%</b>
<b>11/22/23</b>	<b>2.10%</b>	<b>4.8%</b>
<b>11/30/23</b>	<b>1.80%</b>	<b>-16.7%</b>
<b>12/1/23</b>	<b>1.20%</b>	<b>-50.0%</b>
<b>12/6/23</b>	<b>1.30%</b>	<b>7.7%</b>
<b>12/7/23</b>	<b>1.20%</b>	<b>-8.3%</b>
<b>12/14/23</b>	<b>2.60%</b>	<b>53.8%</b>
<b>12/19/23</b>	<b>2.70%</b>	<b>3.7%</b>
<b>12/22/23</b>	<b>2.30%</b>	<b>-17.4%</b>

# Canada Real GDP, UK Real GDP, UK Business Investment, UK Retail Sales & US Durable Goods New Orders

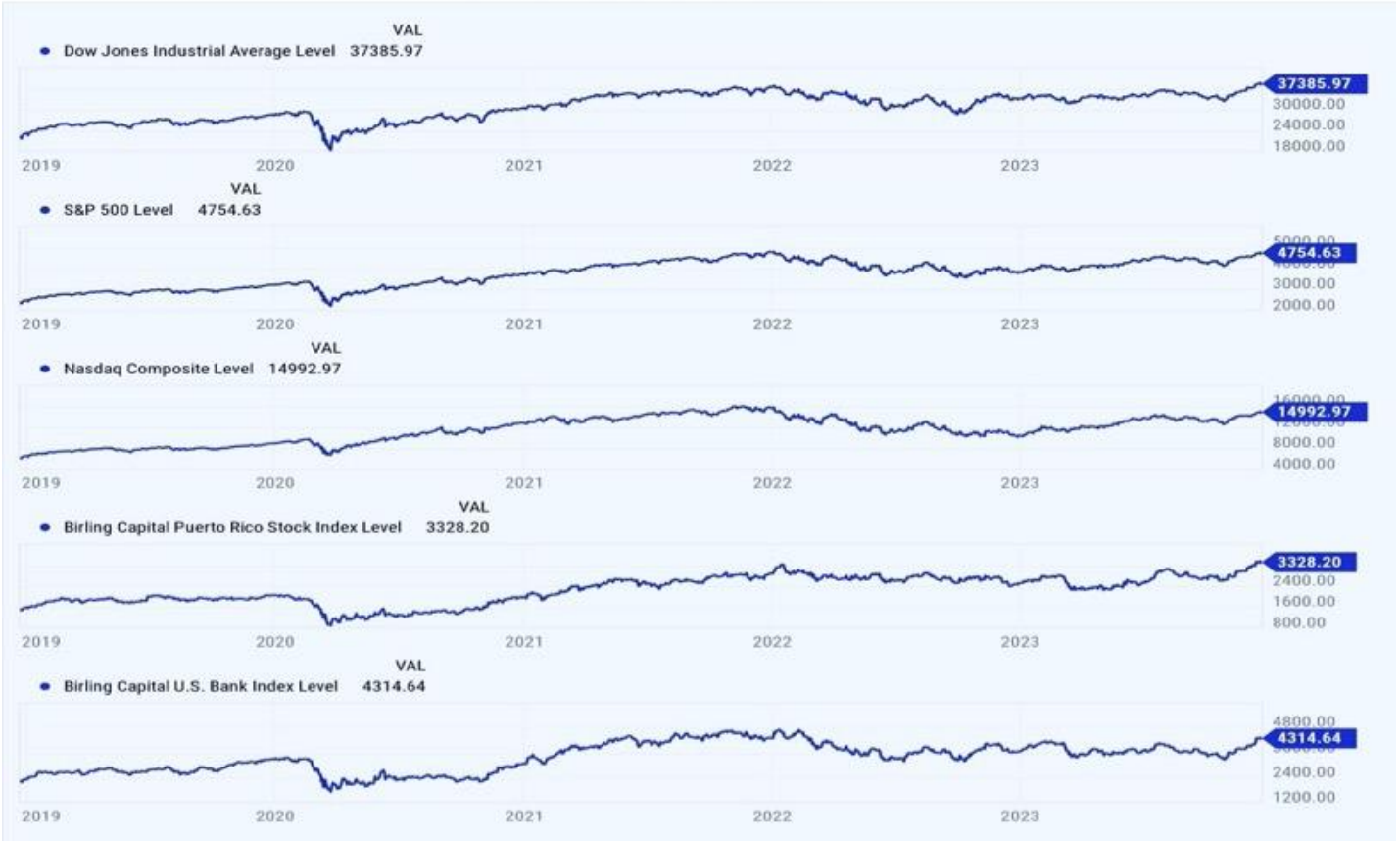
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● Canada Real GDP MoM (I:CRGDPSMP)	0.03%
● UK Real GDP YoY (I:UKCRGDSQ)	0.30%
● UK Business Investment YoY (I:UKCBISQ)	2.27%
● UK Retail Sales excluding Fuel YoY (I:UKCRSF)	0.30%
● US Durable Goods New Orders MoM (I:USCDGNO)	5.39%





# Wall Street Recap

## December 22, 2023



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