

U.S. Banks CEO Resist Basel 3 Regulations, Warn of Economic Fallout, ADP Employment Change Hits Lowest Level Since 2021, and Wall Street Falls.

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The U.S. and European stock markets experienced a day of mixed results. Wall Street, in particular, responded to the ADP Employment Change, which unexpectedly dropped to 103,000, well below the estimated 130,000, marking a -51.42 % decline from the previous year. This figure represents the lowest reading since February 2021, which was 114,000. The ADP data, coupled with yesterday's Job Openings reading, signal to the markets that the Federal Reserve might have ended its interest rate campaign.

The report also highlights a noteworthy decrease in Median Pay, falling to 5.60%, the lowest gain since 2021. Investors eagerly anticipate Friday's U.S. Nonfarm jobs report, including crucial metrics such as unemployment and labor participation rates.

On the legislative front, the U.S. Congress convened eight top U.S. bank CEOs today to discuss adopting the proposed "Basel 3 Endgame" regulations. The regulations aim to bolster banks' capital levels to withstand future risks better. However, the CEOs, including Jamie Dimon of JP Morgan Chase, expressed strong opposition, asserting that the rules could adversely affect the economy, markets, businesses of all sizes, and American households. If implemented in its current form, the regulations would increase capital requirements on the largest banks by approximately 25%, potentially benefiting non-banking entities.

Key Economic Data:

- **ADP Employment Change:** fell to 103,000, down from 106,000 last month, down -2.83% from last month and -51.42% from one year ago.
- **ADP Median Pay YoY:** fell to 5.60%, compared to 5.80% last month.
- **U.S. Trade Balance on Goods:** fell to -89.80 billion, down from -86.32 billion last month.
- **Eurozone Retail Trade YoY:** is at -1.20%, compared to -2.90% last month.
- **Eurozone Retail Trade MoM:** rose to 0.10%, compared to -0.10% last month.

Eurozone Summary:

- **Stoxx 600** closed at 470.06, up 2.04 points or 0.52%
- **FTSE 100** closed at 7,515.38, up 25.54 points or 0.34%.
- **Dax Index** closed at 16,656.44, up 123.33 points or 0.75%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 36,054.33, down -70.13 points or 0.19%.
- **S&P 500** closed at 4,549.34, down -17.84 points or 0.39%.
- **Nasdaq Composite** closed at 14,146.71, down -83.20 points or 0.58%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,150.77, down 20.16 points or 0.64%.
- **Birling Capital U.S.Bank Stock Index** closed at 3,944.39, down 47.13 points or 1.18%.
- **U.S. Treasury 10-year note** closed at 4.12%.
- **U.S. Treasury 2-year note market** closed at 4.60%.



ADP Employment Change, ADP Median Pay YoY and US Trade Balance





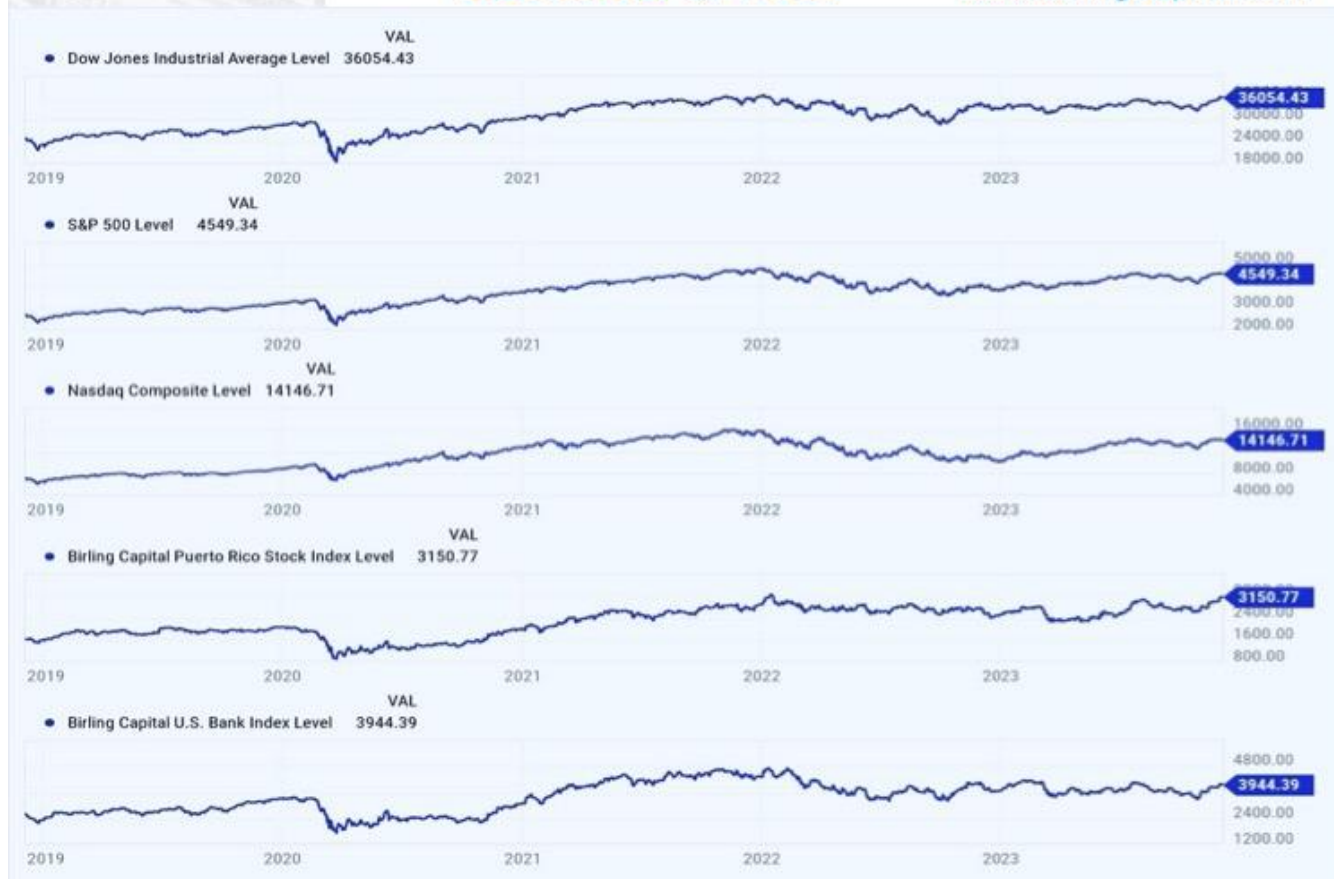
Eurozone Retail Trade YoY and Eurozone Retail Trade MoM



Wall Street Recap

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