

# Surging Consumer Sentiment and Nonfarm Payrolls with Falling Unemployment Dampens Expectations of Interest Rate Cuts.

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The U.S. and European stock markets closed the week with solid gains as several reported indicators provided confidence. For one, the U.S. consumer sentiment produced by the University of Michigan rose 13.21% to close at 69.40 as inflation expectations fell to their lowest since 2021. A 24% increase led to a rise in both short and long-term outlooks for business conditions.

The other piece is the expected Nonfarm payrolls report that rose 199,000, up from 150,000 last month, increasing 32.67% and ahead of the consensus estimates of 172,000. Also, the unemployment rate fell to 3.70% from 3.90%, and a slight increase in the labor participation rate to 62.80%.

These stronger-than-expected jobs reports will diminish the expectations of interest rate cuts as the U.S. economy remains resilient and less restrictive monetary policy may take further than investors planned.

Lastly, the synergies of employment and inflation will continue to drive markets as we enter 2024. Also, we will get a new reading into inflation as the Consumer Price Index is due to report on December 12, and the latest Inflation Nowcasting forecast for the CPI is as for the CPI at 3.04% and Core CPI at 4.06%

Both issues will continue to shape how the Fed shapes monetary policy and how it impacts the broader economy.

## Key Economic Data:

- **U.S. Nonfarm Payrolls MoM:** rose to 199,000, up from 150,000 last month, increasing 32.67%.
- **U.S. Unemployment Rate:** fell to 3.70%, compared to 3.90% last month.
- **U.S. Labor Force Participation Rate:** rose to 62.80%, compared to 62.70% last month.
- **U.S. Index of Consumer Sentiment:** rose to 69.40, up from 61.30 last month, increasing 13.21%.
- **Germany Consumer Price Index YoY:** fell to 3.20%, compared to 3.80% last month.
- **China Producer Price Index:** is at -2.60%, compared to -2.50% last month.
- **China Inflation Rate:** is at -0.20%, compared to 0.00% last month.

## Eurozone Summary:

- **Stoxx 600** closed at 472.07, up 3.29 points or 0.69%.
- **FTSE 100** closed at 7,556.68, up 42.96 points or 0.57%.
- **Dax Index** closed at 16,742.84, up 113.52 points or 0.69%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 36,247.87, up 130.49 points or 0.36%.
- **S&P 500** closed at 4,604.37, up 18.78 points or 0.41%.
- **Nasdaq Composite** closed at 14,403.97, up 63.98 points or 0.45%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,176.53, up 65.96 points or 2.12%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,958.89, up 39.58 points or 1.01%.
- **U.S. Treasury 10-year note** closed at 4.23%.
- **U.S. Treasury 2-year note market** closed at 4.71%.



## Inflation Nowcasting

Inflation Nowcasting	CPI Forecast	Core CPI Forecast
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**3.04%**

**4.06%**



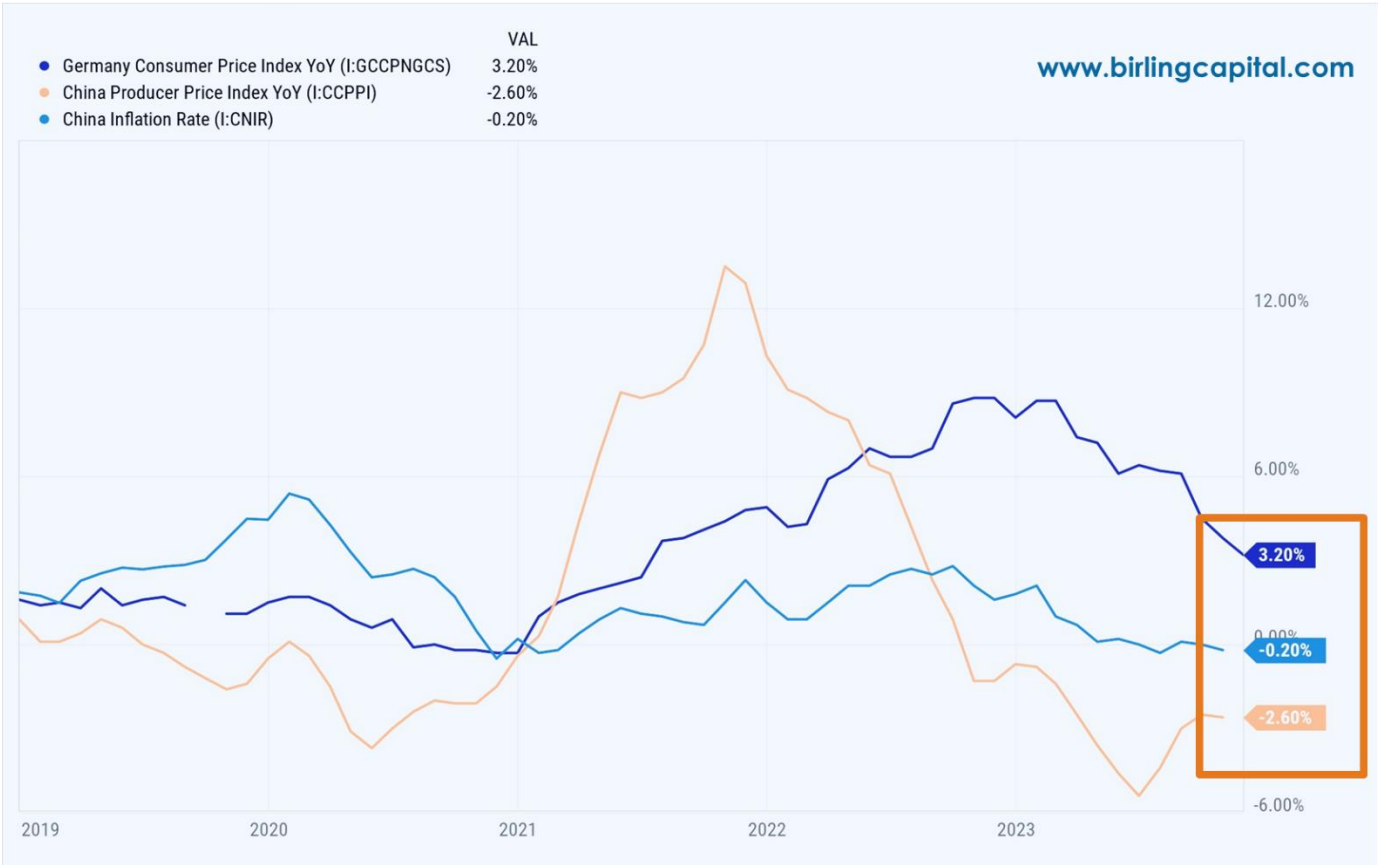
# US Nonfarm Payrolls, US Unemployment Rate, US Labor Participation Rate, US Index of Consumer Sentiment

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# Germany Consumer Price Index, China Producer Price Index, & China Inflation Rate

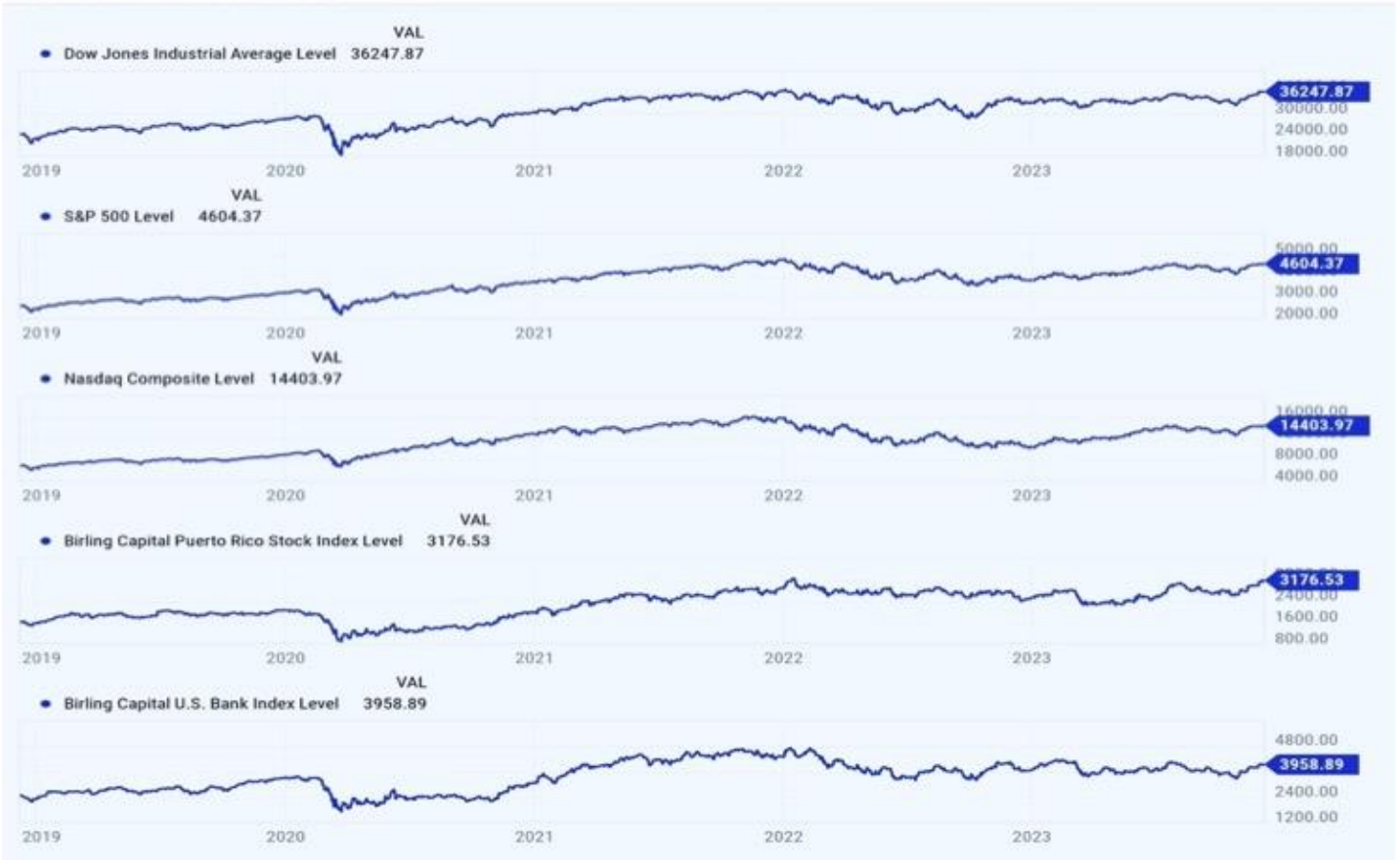




# Wall Street Recap

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