

The GDPNow Forecast for 1Q23 GDP rose to 2.40%, U.S. Sales rose to 2.96%, and Wall Street closed higher.

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The U.S. and European stock markets closed today higher, following a solid jump in retail sales that balanced yesterday's less-than-lower CPI reading.

Investors' expectations are now zeroing in on how much higher the Fed will be forced to increase rates to curb inflation. As discussed above, U.S. retail sales reported their highest increase in the past two years, evidencing that consumers are changing their sentiment from a pessimistic to a more positive tone. Retail sales rose 2.96% ahead of the 2% consensus estimates and were led by motor vehicles, furniture, and restaurants.

Since stocks had a strong rally at the beginning of the year, and with the inflation decrease has more or less matched the expectations of the market, we now are focusing on what it would take to drive inflation further down, more broadly we believe that the Overall, we think the trajectory of inflation is lower and for the markets will be higher, but the ride will be volatile.

GDPNow Update:

- The GDPNow forecast for 1Q23 GDP reported today, **2/15/23**, increased to 2.40% from 2.20%, an increase of 9.1%.

Key Economic Data:

- **U.S. Retail and Food Services Sales MoM:** rose to 2.96%, compared to -1.09% last month.
- **U.S. Job Openings: Total Nonfarm:** rose to 11.01 million, up from 10.44 million last month, increasing 5.48%.
- **U.S. Wholesalers Inventories MoM:** fell to 0.06%, compared to 0.88% last month.
- **U.S. Business Inventories MoM:** rose to 0.34%, compared to 0.33% last month.
- **U.S. Industrial Production MoM:** rose to 0.03%, compared to -1.02% last month.
- **NAHB/Wells Fargo US, Housing Market Index:** rose to 42.00, up from 35.00 last month, increasing 20.00%.
- **Canada Manufacturing Shipments:** fell to **70.97 billion**, down from 72.06 billion last month, decreasing -1.51%.
- **Canada Wholesale Sales MoM:** fell to -0.76%, compared to -0.73% last month.
- **U.K. Consumer Price Index YoY:** fell to 10.10%, compared to 10.50% last month.
- **U.K. Core Consumer Price Index YoY:** fell to 5.77%, compared to 6.36% last month.
- **U.K. Producer Price Index: Output YoY:** fell to 13.50%, compared to 14.54% last month.
- **U.K. Producer Price Index: Input YoY:** fell to 14.11%, compared to 16.20% last month.
- **Eurozone Industrial Production Index YoY:** fell to -1.70%, compared to 2.80% last month.
- **Japan Machinery Orders YoY:** fell to -5.74%, compared to 5.29% last month.

Puerto Rico COVID-19 Update February 15:

- Daily Cases: 94
- Positivity Rate: 14.76%
- Hospitalizations: 133
- Deaths: 3
- Source P.R. Department of Health.

Eurozone Summary for February 15:

- Stoxx 600 closed at 464.87, up 2.47 points or 0.53%.
- FTSE 100 closed at 7,997.83, up 43.98 points or 0.55%.
- Dax Index closed at 15,506.34, up 125.78 points or 0.82%.

Wall Street Summary for February 15:

- Dow Jones Industrial Average closed at 34,128.05, up 38.78 or 0.11%.
- S&P 500 closed at 4,147.50, up 11.47 points or 0.28%.
- Nasdaq Composite closed at 12,070.59, up 110.49 points or 0.92%.
- Birling Capital Puerto Rico Stock index closed at 2,739.73, down 5.46 points or 0.20%.
- U.S. Treasury 10-year note closed at 3.80%.
- U.S. Treasury 2-year note closed at 4.62%.

Date	GDPNow 1Q23	Change
1/27/23	0.70%	Initial Forecast
2/1/23	2.10%	200.0%
2/8/23	2.20%	4.8%
2/15/23	2.40%	9.1%

US Retail Sales, US Business Inventories, US Industrial Production, US Wholesale Inventories, US CPI, UK PPI Input & UK PPI Output

- US Retail Sales YoY
- US Business Inventories MoM
- US Industrial Production MoM
- US Wholesalers Inventories MoM
- UK Consumer Price Index YoY
- UK Producer Price Index: Input YoY
- UK Producer Price Index: Output YoY





Wall Street Recap

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