

## St. Louis Fed President Bullard advocates for a more aggressive interest rate campaign, and Wall Street closed mixed.

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The U.S. and European stock markets closed mostly down as investors and traders continued to focus on the likely probability that the Federal Reserve Bank will ramp up its interest rate campaigns to curb inflation.

Today the Fed released the FOMC minutes from their January 31-February 1 meeting, and a vast majority of the members acknowledge that even though inflation may be trending down, the pace is not enough to change the need for more interest rate increases, and this was before the CPI numbers came in higher than expected.

Adding fuel to the fire, the President of the St. Louis Fed, James Bullard, is supporting a more aggressive interest rate campaign to tame inflation; the statement took European and Asian markets notably down.

The supporting economic data of higher-than-expected jobs growth, mixed with a CPI that fell less than expected, is forcing the Fed's hand to tighten monetary policy further.

While we expect the labor markets to soften further in the year as layoffs and hiring freezes will impact the job numbers, since 2023 began, more than 300 tech companies have laid off 95,000 workers. Should the tech continue, the layoffs could surpass 1,000,000. Should this scenario continue, we shall see a rise in the unemployment rate; however, there is still much room to maneuver as there are still 11.01 million job openings and only 5.14 million job seekers creating a 53.31% deficit.

### Key Economic Data:

- **Germany Consumer Price Index YoY:** rose to 8.70%, compared to 8.60% last month.
- **Germany Ifo Business Expectations Index:** rose to 88.50, up from 86.40 last month, increasing 2.43%.
- **Germany Ifo Business Climate Index:** rose to 91.10, up from 90.10 last month, increasing to 1.11%.
- **Germany Ifo Business Situation Index:** fell to 93.90, down from 94.10 last month, decreasing - 0.21%.

### Puerto Rico COVID-19 Update February 22:

- Daily Cases: 74
- Positivity Rate: 13.59%
- Hospitalizations: 104

- Deaths: 7
- Source P.R. Department of Health.

### Eurozone Summary for February 22:

- Stoxx 600 closed at 462.22, down 1.55 points or 0.33%.
- FTSE 100 closed at 7,930.63, down 47.12 points or 0.59%.
- Dax Index closed at 15,399.89, up 2.27 points or 0.01%.

### Wall Street Summary for February 22:

- Dow Jones Industrial Average closed at 33,045.09, down 84.50 or 0.26%.
- S&P 500 closed at 3,991.06, down 6.28 points or 0.16%.
- Nasdaq Composite closed at 11,507.07, up 14.77 points or 0.13%.
- Birling Capital Puerto Rico Stock index closed at 2,730.18, down 52.39 points or 1.88%.
- U.S. Treasury 10-year note closed at 3.93%.
- U.S. Treasury 2-year note closed at 4.66%.



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