



As Russia/Ukraine conflict intensifies, Investors flock to safe-haven assets, and Wall Street closed sharply lower.

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The U.S. & European stock markets continue to suffer as investors are concerned over a protracted Russian conflict with the U.S. over the invasion of Ukraine.

As it often occurs in these circumstances, there is increased volatility and a sell-off as investors take refuge in so-called "Safe-Haven Asset Classes".

When financial markets are in crisis, investors tend to flock to assets that they consider safe and high quality. Safe-haven assets are those that perform well in volatile market environments.

- Government Bonds: Developed market sovereign bonds are the best example of a safe-haven asset.
- Gold: is an attractive asset to hold in portfolios as it's easy to buy and sell; it's a hard asset and performs well in volatile markets.
- Currencies: investors flock to the U.S. dollar, Japanese yen, or the Swiss franc.
- Defensive Stocks: while there are many, we follow eight that include Coca Cola, Johnson & Johnson, Procter & Gamble, Phillip Morris, Kraft Heinz, Blackstone, Wells Fargo & JP Morgan Chase.

As the crisis continues, the U.S. imposed sanctions that we consider quite broad, as it shuts out Russia from Capital Markets and includes:

- Severe Sanctions are directed towards two Russian financial institutions that finance the Kremlin and the Russian military: Vnesheconombank and Promsvyazbank.
- Total sovereign debt prohibitions prohibit U.S. individuals and firms from participating in debt issued by the Central Bank of the Russian Federation.
- Sanctions to Russian oligarchs and their families: Aleksandr Bortnikov, Sergei Kiriyyenko, and Promsvyazbank CEO Petr Fradkov.

Key economic stats:

- Eurozone Consumer Price Index Year-over-Year: rose to 5.11%, compared to 4.96% last month.
- Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco: fell to 2.30%, compared to 2.60% last month.

Puerto Rico COVID-19 Daily Update:

- New Cases: 96, down 12.28%.
- Positivity Rate: 6.33%, down 13.87%.
- Puerto Rico Vaccination Rate: 85.1%.
- Total Hospitalizations: 123, up 5.12%.
- Deaths: 2, no change.
- Source: Puerto Rico Department of Health

Eurozone Summary for February 23:

- Stoxx 600 closed at 453.95, down 1.17 points or 0.54%.
- FTSE 100 closed at 7,498.18, up 3.97 or 0.05%.
- Dax Index closed at 14,631.36, down 61.64 points or 0.42%.

Wall Street summary for February 23:

- Dow Jones Industrial Average closed at 33,131.76, down 464.65 points or 1.38%.
- Standard & Poor's 500 closed at 4,225.50, down 79.26 points or 1.84%.
- Nasdaq Composite closed at 13,037.49, down 344.03 points, or 2.57%.
- Birling Capital Puerto Rico Stock Index closed at 2,886.16, down 15.54 points, or 0.54%.
- The U.S. Treasury 10-year note closed at 1.99%.
- The U.S. Treasury 2-year note closed at 1.58%.



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