

U.S. Claims for unemployment fell -7.32%; Housing starts fell to 1.382 million, and Wall Street closed lower.

January 19, 2023

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The U.S. & European stock markets fell again today as investors are overly concerned over the direction of the U.S. economy and the probability that the Fed will continue to raise rates taking the economy down for the ride. Even as the White House Council of Economic Advisors has said a soft landing might be within reach, the investor sentiment surrounding the landing is turning pessimistic.

Even though inflation is slowing, the aggressive pace of the Fed's interest rate campaign may come at the cost of a much weaker economy, that which could prove a headwind for equity markets.

Some experts feel there will be a recession in early 2023; however, they believe that if it happens, it could be shorter than the historical average.

Washington Update:

The New Republican Congress has indicated that for them to approve an increase in the U.S. Debt ceiling and the Government's Budget, they will require a 10-year commitment to reduced spending not only to balance the budget and slow the growth of the more than \$31 trillion federal debt.

But, even if House Republicans can pass these measures in the House, they will not clear the Senate.

As this standoff begins, Congress will have significant challenges in approving critical legislation such as debt ceiling extension or government funding.

GDPNow for the Fourth Quarter 2022:

The GDPNow was updated on 1/19/23 and fell to 3.5%, down from 4.1% on 1/10/23, a -17.14% decrease.



GDPNow 1.19.23

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Date	GDPNow 4Q	Change
1/3/2023	3.90%	-53.57%
1/5/2023	3.80%	-2.63%
1/10/2023	4.10%	7.32%
1/19/2023	3.50%	-17.14%

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 190,000, down from 205,000 last week, decreasing -7.32%.
- **U.S. Housing Starts:** fell to 1.382 Million, down from 1.401 Million last month, declining -1.36%.
- **U.S. Building Permits:** fell to 1.33 Million, down from 1.351 Million last month, decreasing -1.55%.
- **30-Year Mortgage Rate:** fell to 6.33%, compared to 6.48% last week.
- **Canada Wholesale Sales MoM:** fell to 0.54%, compared to 1.85% last month.
- **Japan Consumer Price Index YoY:** rose to 3.80%, compared to 3.70% last month.
- **China Loan Prime Rate:** is unchanged at 3.65%, compared to 3.65% last month.

Puerto Rico COVID-19 Update January 19:

- Daily Cases: 169
- Positivity Rate: 21.89%
- Hospitalizations: 233
- Deaths: 8
- Source P.R. Department of Health.

Eurozone Summary for January 19:

- Stoxx 600 closed at 450.75, down 6.78 points or 1.48%.
- FTSE 100 closed at 7,747.28, down 83.41 points or 1.07%.
- Dax Index closed at 14,929.85, down -251.55 points or 1.59%.

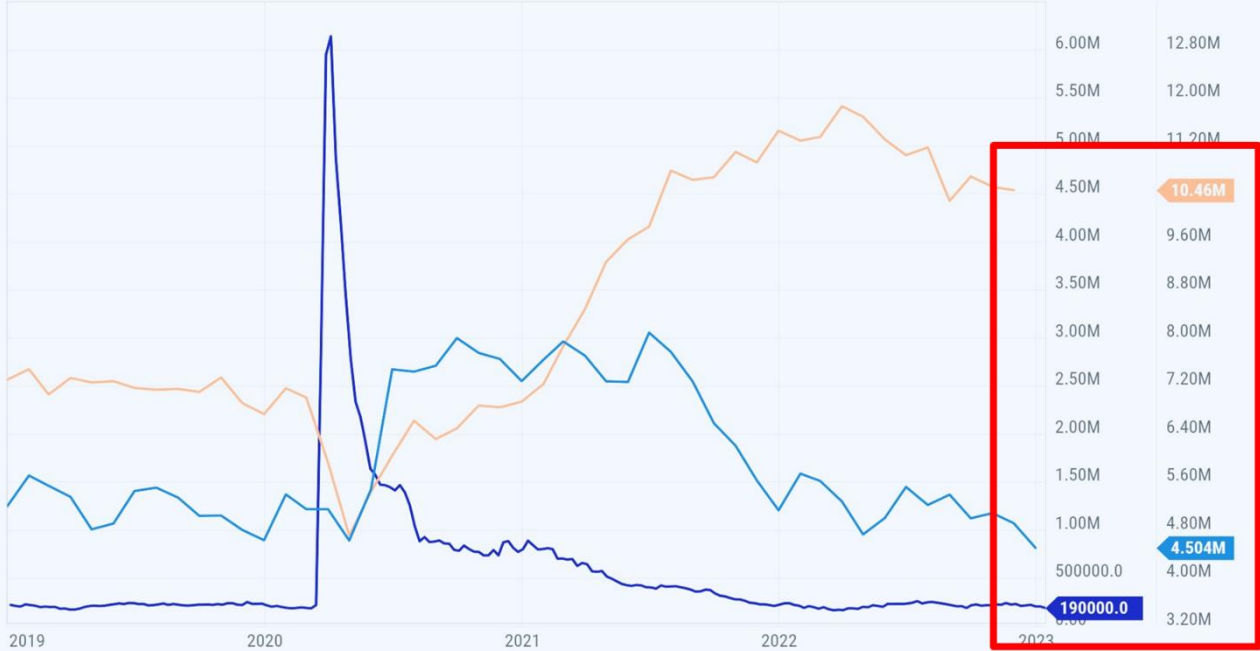
Wall Street Summary for January 19:

- Dow Jones Industrial Average closed at 33,044.56, down 252.40 points or 0.76%.
- S&P 500 closed at 3,888.85, down 30.01 points or 0.76%.
- Nasdaq Composite closed at 10,852.27, down 104.74 points or 0.96%.
- Birling Capital Puerto Rico Stock index closed at 2,564.71, down 54.69 points or 2.09%.
- U.S. Treasury 10-year note closed at 3.39%.
- U.S. Treasury 2-year note closed at 4.09%.

1/19/2023

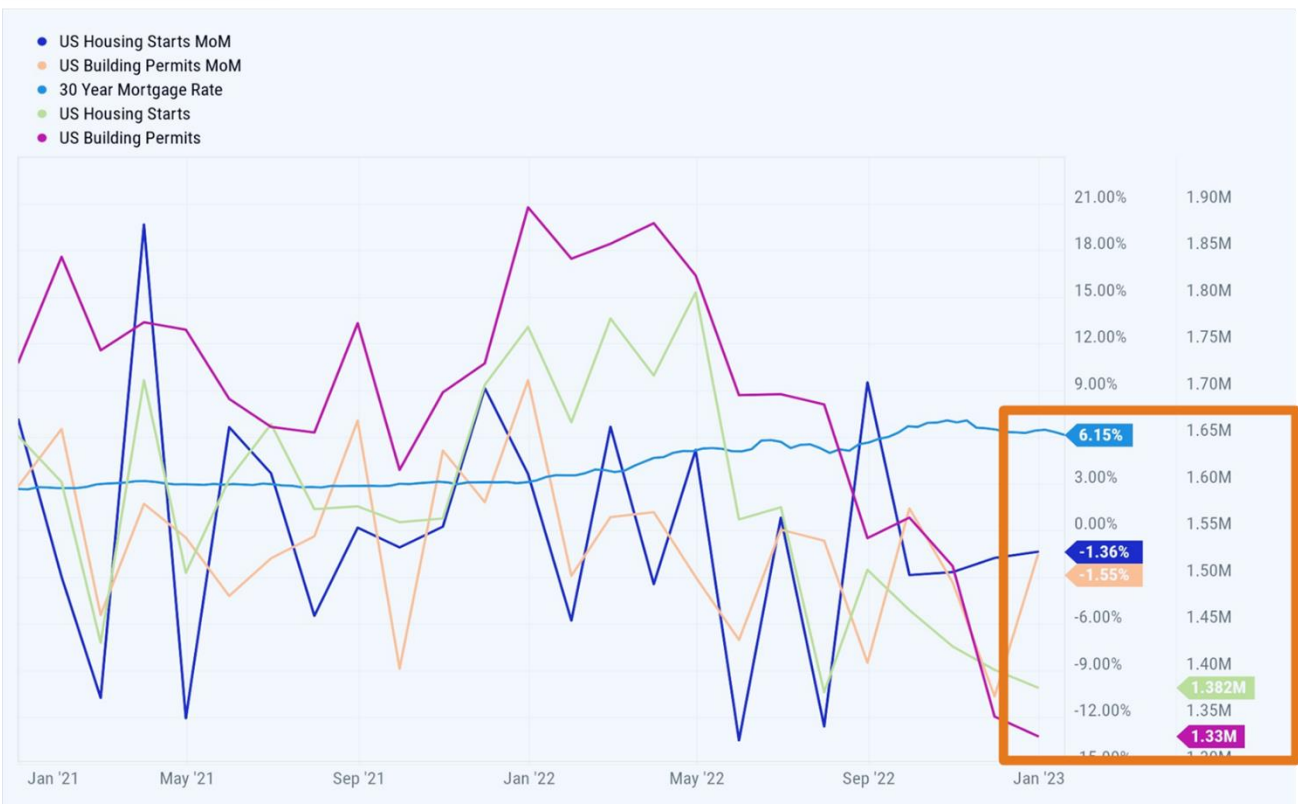
The Department of Labor reported that unemployment claims fell last week to 190,000, down from 205,000, a -7.32% decrease.

- US Initial Claims for Unemployment Insurance
- US Job Openings: Total Nonfarm
- US Unemployed Persons: Job Seeker





US Housing Starts, US Housing Starts MoM, US Building Permits, US Building Permits MoM, & 30-Year Mortgage Rates





Wall Street Recap

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