

# GLOBAL MARKET SQUARE



The Fed's Preferred Inflation metric, the Core PCE Price Index, fell to 4.42%, the smallest increase since October 2021, and Wall Street closed higher.

January 27, 2023

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The U.S. and European stock markets closed the week with gains following the release of the Federal Reserve Bank's preferred inflation metric, the **Core PCE Price Index, which fell to 4.42%**, making it the smallest increase since October 2021.

However, this change comes at a cost since consumer spending fell to -0.23%, more than the already dire forecasts, signaling that the U.S. economy fell more at the end of 2022, which fuels expectations that there may be a 2023 recession.

Additionally, as discussed below, the initial GDPNow Forecast for the U.S. Real GDP was released today, showing a paltry 0.7% GDP for the first quarter of 2023.

All this data is being studied by the Fed FOMC members, closely evaluating the impacts of interest rate increases on the economy.

## GDPNow:

- Initial GDPNow for the First Quarter 2023 estimate for real GDP growth the first quarter of 2023 is 0.7% on January 27.

## Corporate Earnings Parade:

- First BanCorp (FBP):** reported its fourth quarter 2022 earnings with revenues of \$205.57 million, up 3.53%, and net income of \$73.2 million, down 0.26%, which met estimates. For the Full-year 2022, revenues reached \$795.29 million, up 8.21%, and net income of \$305.07 million, up 7.88%. The stock closed at \$13.xx, down \$0.07 or 0.52%. The Stock Price Target is \$16.80.

## Key Economic Data:

- U.S. PCE Price Index YoY:** fell to 5.02%, compared to 5.54% last month.
- U.S. Core PCE Price Index YoY:** fell to **4.42%**, compared to 4.68% last month.
- U.S. 12-Month Trimmed Mean PCE Inflation Rate:** fell to 4.42%, compared to 4.59% last month.
- U.S. Personal Income MoM:** fell to 0.22%, compared to 0.26% last month.
- U.S. Personal Spending MoM:** fell to -0.23%, compared to -0.11% last month.
- U.S. Pending Home Sales YoY:** fell to -33.76%, compared to -36.87% last month.
- Eurozone Consumer Confidence Indicator:** fell to -22.20, up from -23.90 last month.
- Eurozone Economic Sentiment Indicator:** rose to 95.80, up from 94.00 last month, increasing 1.91%.

### **Puerto Rico COVID-19 Update January 27:**

- Daily Cases: 172
- Positivity Rate: 18.51%
- Hospitalizations: 179
- Deaths: 4
- Source P.R. Department of Health.

### **Eurozone Summary for January 27:**

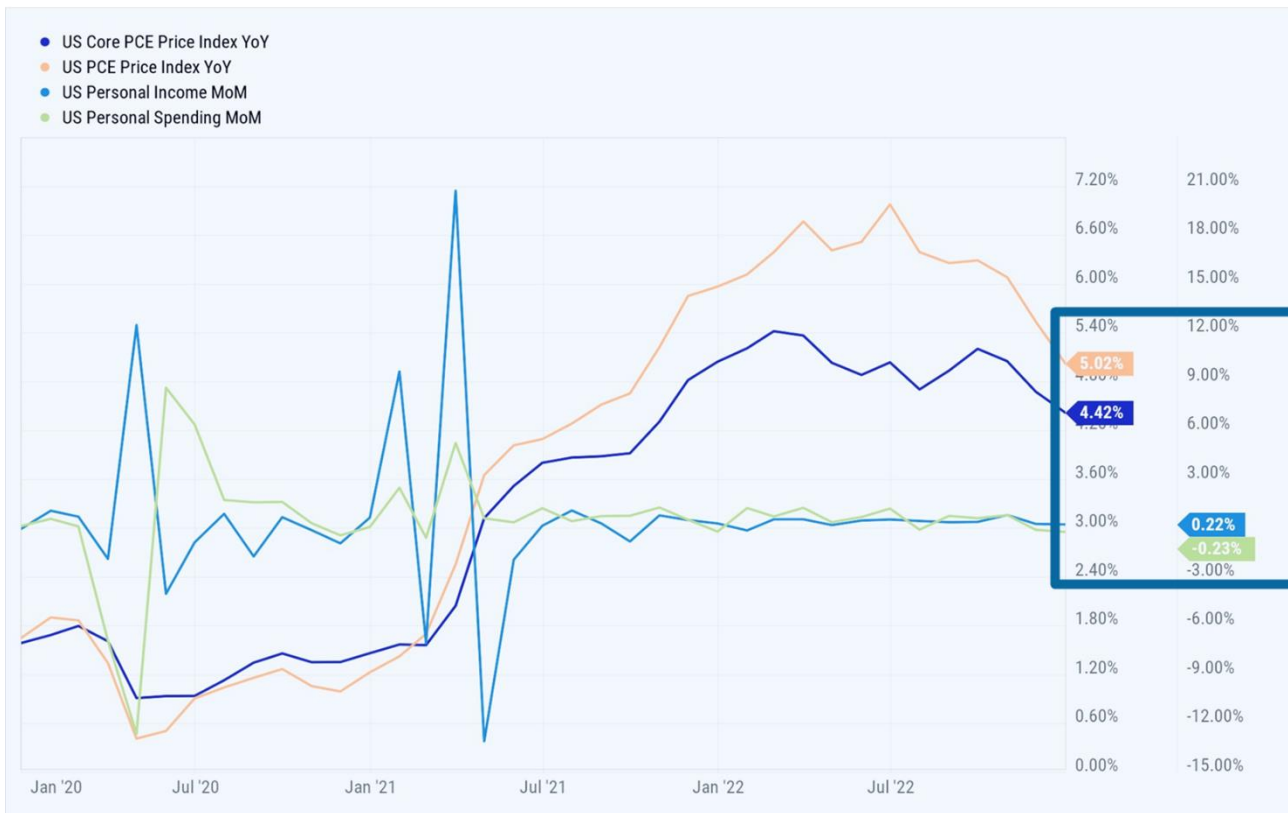
- Stoxx 600 closed at 454.99, up 1.01 points or 0.22%.
- FTSE 100 closed at 7,765.13, up 4.04 points or 0.052%.
- Dax Index closed at 15,150.03, up 17.18 points or 0.11%.

### **Wall Street Summary for January 27:**

- Dow Jones Industrial Average closed at 33,978.08, up 28.67 points or 0.08%.
- S&P 500 closed at 4,070.56, up 10.13 points or 0.25%.
- Nasdaq Composite closed at 11,612.71, up 109.30 points or 0.95%.
- Birling Capital Puerto Rico Stock index closed at 2,606.24, down 18.12 points or 0.69%.
- U.S. Treasury 10-year note closed at 3.52%.
- U.S. Treasury 2-year note closed at 4.19%.



## US PCE Price Index, US Core PCE Price Index, US Personal Income MoM & US Personal Spending MoM



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