

The Personal Consumption Expenditures Index rises to 5.79%, The Fed credibility in question, and Wall Street closes with gains.

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The U.S. & European stock markets ended the week with mixed results as the stock and asset rotation out of growth into value has been driving the market. The negative sentiment is so strong that neither Apple's nor Microsoft's outside earnings beats have been able to stabilize the tech stocks or the broader U.S. markets.

The other issue of importance for markets has been that the Federal Reserve Bank has lost credibility with its "Temporary Inflation" stance. In the process, it lost total control of inflation; our view is that to curb inflation, the Fed will be forced to raise rates, in my opinion, more than 4-5 times in 2022, if not more.

Corporate Earnings:

- Apple, Inc. (AAPL): reported its 1Q22 earnings that beat expectations with revenues of \$123.9 billion up 11% and net income of \$34.6 billion up 20.43%.
- Popular, Inc. (BPOP): reported its 4Q21 earnings with a net income of \$206.1 million and full-year 2021 net income of \$934.9 million, an increase of 84.54%.

Key economic data:

- U.S. PCE Price Index YoY: rose to 5.79%, compared to 5.72% last month.
- U.S. Index of Consumer Sentiment: fell to 67.20, down from 70.60 last month, a decrease of -4.82%.
- U.S. Personal Spending MoM: fell to -0.58%, compared to 0.40% last month.
- U.S. Personal Income MoM: fell to 0.34%, compared to 0.52% last month.
- U.S. Employment Cost Index QoQ: fell to 1.00%, compared to 1.30% last quarter.
- Eurozone Consumer Confidence Indicator: fell to -8.30, down from -6.80 last month.
- Eurozone Economic Sentiment Indicator: fell to 115.30, down from 117.60 last month.
- Germany Real G.D.P. YoY: fell to 2.50%, compared to 10.00% last quarter.

Puerto Rico COVID-19 Daily Update:

- New Cases: 825, falling 8.43%.
- Total Cases from 12/13/21 to 1/26/22: 100,041.
- Positivity Rate: 21.34%, down 9.26%.
- Puerto Rico Vaccination Rate: 82.8%

- Total Hospitalizations: 560, falling 6.82%.
- Deaths: 36, increasing 89.47%.
- Source: Puerto Rico Department of Health

Eurozone Summary for January 28:

- Stoxx 600 closed at 465.69, down 4.64 points or 0.99%.
- FTSE 100 closed at 7,466.07, down 88.24 or 1.17%.
- Dax Index closed at 15,318.95, down 205.32 points or 1.32%.

Wall Street summary for January 28:

- Dow Jones Industrial Average closed at 34,725.47, up 564.69 points or 1.65%.
- Standard & Poor's 500 closed at 4,431.85, up 105.34 or 2.43%.
- Nasdaq Composite Index closed at 13,770.57, up 417.79 points or 3.13%.
- Birling Capital Puerto Rico Stock Index closed at 3,007.17, down 39.87 points, or 1.31%.
- The U.S. Treasury 10-year note closed at 1.78%.
- The U.S. Treasury 2-year note closed at 1.15%.

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