

# GLOBAL MARKET SQUARE



## Global Markets in Flux as U.S. and European Stocks Continue Sell-Off, U.K. Inflation Surges to 4.0%, GDPNow Revised Upward to 2.40%.

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The U.S. and European stock markets continued with the sell-off as a continuation of yesterday's change in sentiment that turned both negative and more defensive.

Today's issues were for one in the United Kingdom, inflation rose, as measured by the Consumer Price Index YoY, rising to 4.0%, the other issue China's Gross Domestic Product recorded a 5.2% GDP growth amid diverse challenges in the world's second-largest economy from a property slowdown, deflation, and demographic pressures.

Also, among other economic news in the U.S., we highlight that the GDPNow for the fourth quarter rose to 2.40% GDP, and the Retail Sales rose 62.03%, increasing 4.78%.

In political news, it appears that the U.S. is end route to avoid a government shutdown, as reports show that the Senate seeks to approve a continuing resolution extending government funding to early March. Hopefully, averting a government shutdown if passed, as the deadline elapses this Friday. However, the stopgap measure to extend the timeline to March would help prevent political uncertainties from occupying a larger share of the market's current spotlight, keeping the broader focus this week on incoming corporate earnings reports.

### GDPNow Update:

- The GDPNow for the fourth quarter was updated today, rising to 2.40% GDP, from 2.20% GDP.

### Corporate Earnings Parade:

- **Charles Schwab (SCHW):** reported 4Q23 revenues of \$4.459 billion, down 19%, and Net Income of \$1.367 billion, down 36%, and reached earnings per share of \$0.51, missing the \$0.63 estimates with a stock price objective of \$73.79. Charles Schwab's poor financial performance in 2023 was attributed to challenges with the interest rate tightening policy and the regional banking crisis.

### Key Economic Data:

- **U.S. Retail Sales YoY:** rose to 4.78%, compared to 2.95% last month.
- **U.S. Retail and Food Services Sales MoM:** rose to 0.55%, compared to 0.35% last month.
- **U.S. Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM:** rose to 0.42%, compared to 0.24% last month.
- **N.Y. Fed Business Leaders Survey Current Business Activity:** is at -9.70, up from -14.60 last month.
- **U.S. Industrial Production MoM:** rose to 0.05%, compared to -0.03% last month.

- **U.S. Business Inventories MoM:** is at -0.06%, compared to -0.11% last month.
- **U.S. Export Prices YoY:** is at -3.18%, compared to -5.21% last month.
- **U.S. Import Prices YoY:** fell to -1.62%, compared to -1.48% last month.
- **U.S. Wholesalers Inventories MoM:** is at -0.18%, compared to -0.27% last month.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 44.00, up from 37.00 last month.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** fell to 3.40%, compared to 3.60% last month.
- **U.K. Consumer Price Index YoY:** rose to 4.00%, compared to 3.90% last month.
- **U.K. Core Consumer Price Index YoY:** fell to 5.08%, compared to 5.11% last month.
- **Japan Machinery Orders YoY:** fell to -5.35%, compared to -2.67% last month.

#### Eurozone Summary:

- **Stoxx 600** closed at 467.71, down 5.35 points or 1.13%.
- **FTSE 100** closed at 7,446.29, down 112.05 points or 1.48%.
- **Dax Index** closed at 16,431.69, down 139.99 points or 0.84%.

#### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,266.67, down 94.45 points or 0.25%
- **S&P 500** closed at 4,739.21, down 36.57 points or 0.56%.
- **Nasdaq Composite** closed at 14,855.62, down 88.72 points or 0.59%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,173.85, down 44.22 points or 1.48%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,224.73, down 62.35 points or 1.45%.
- **U.S. Treasury 10-year note** closed at 4.20%.
- **U.S. Treasury 2-year note** closed at 4.34%.

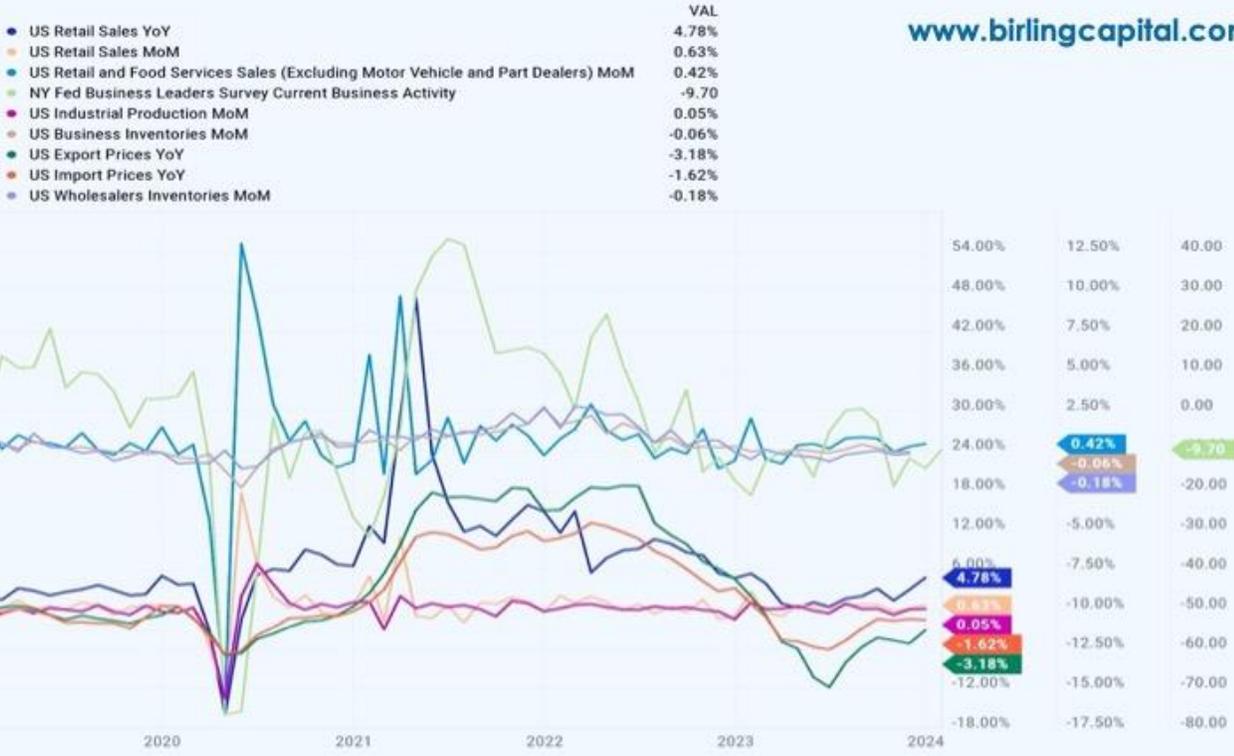


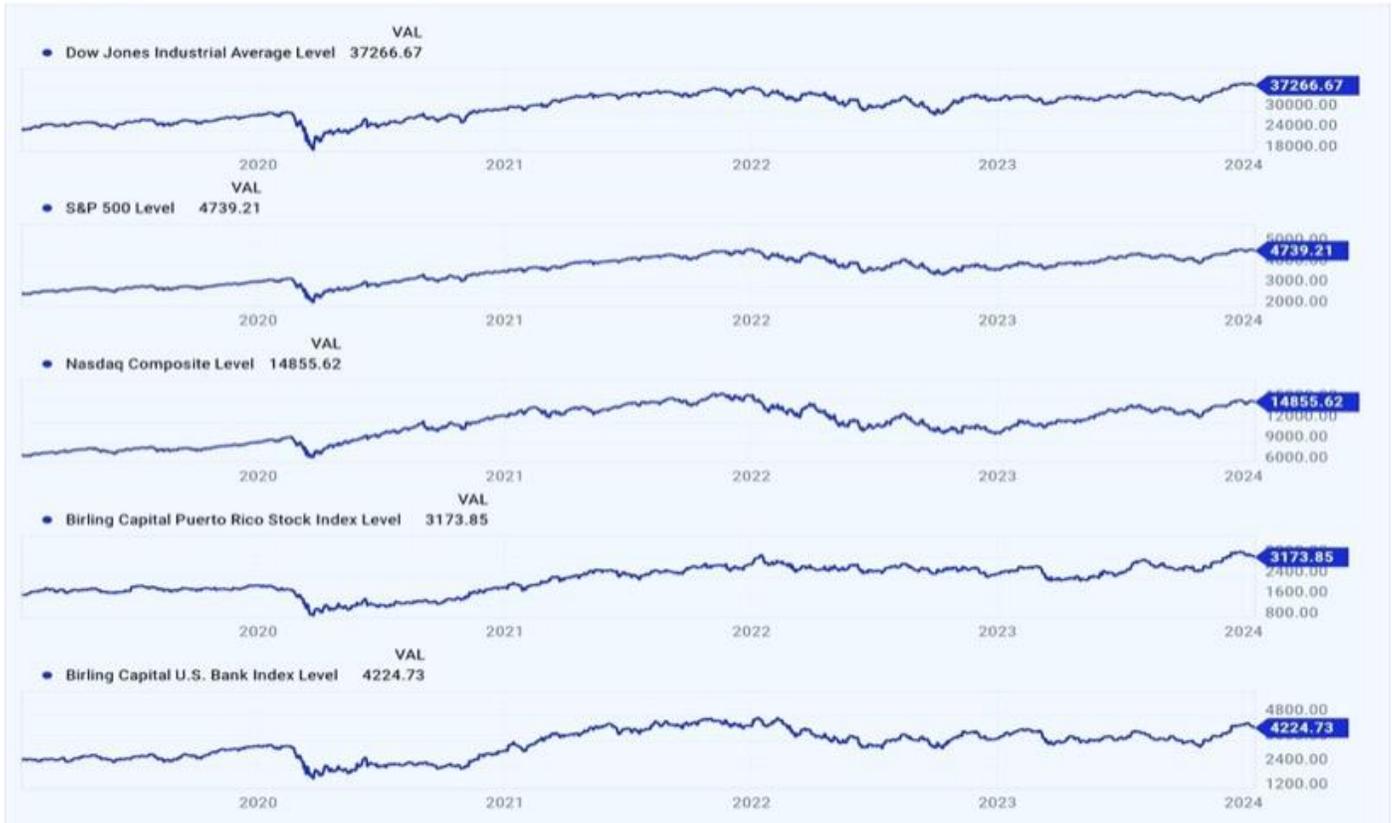
# GDPNow 4Q23

Date	GDPNow 4Q23	Change
<b>10/27/23</b>	<b>2.30%</b>	<b>Initial Forecast</b>
<b>11/1/23</b>	<b>1.20%</b>	<b>-47.83%</b>
<b>11/7/23</b>	<b>2.10%</b>	<b>42.86%</b>
<b>11/8/23</b>	<b>2.10%</b>	<b>0.00%</b>
<b>11/15/23</b>	<b>2.20%</b>	<b>4.55%</b>
<b>11/17/23</b>	<b>2.00%</b>	<b>-9.09%</b>
<b>11/22/23</b>	<b>2.10%</b>	<b>4.76%</b>
<b>11/30/23</b>	<b>1.80%</b>	<b>-16.67%</b>
<b>12/1/23</b>	<b>1.20%</b>	<b>-50.00%</b>
<b>12/6/23</b>	<b>1.30%</b>	<b>7.69%</b>
<b>12/7/23</b>	<b>1.20%</b>	<b>-8.33%</b>
<b>12/14/23</b>	<b>2.60%</b>	<b>53.85%</b>
<b>12/19/23</b>	<b>2.70%</b>	<b>3.70%</b>
<b>12/22/23</b>	<b>2.30%</b>	<b>-17.39%</b>
<b>1/2/24</b>	<b>2.00%</b>	<b>-15.00%</b>
<b>1/3/24</b>	<b>2.50%</b>	<b>20.0%</b>
<b>1/9/24</b>	<b>2.20%</b>	<b>-13.64%</b>
<b>1/10/24</b>	<b>2.20%</b>	<b>0.0%</b>
<b>1/172024</b>	<b>2.40%</b>	<b>8.33%</b>

# US Retail Sales YoY, US Retail Sales MoM, NY Fed Business Leader Survey Index, US Industrial Production, US Export Prices, US Import Prices & US Wholsalers Inventories

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