

# GLOBAL MARKET SQUARE



## Markets Mixed as Strong Economic Data with Rising PMI Services Data and Labor Markets Resilience.

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The US and European stock markets had mixed results, erasing early-session gains after robust economic data pushed bond yields higher. December's ISM Services PMI came in at 54.1, exceeding expectations of 53 and indicating sustained strength in the U.S. services sector.

Meanwhile, the November JOLTS report revealed 8.1 million job openings, surpassing the forecast of 7.7 million, signaling a still-resilient labor market. The 10-year Treasury yield surged to close at 4.67% in response, pressuring stocks.

### Labor Market in Focus: Strong Job Openings Ahead of Key Data

The week began with a focus on labor market data, highlighted by the November JOLTS report. Job openings rose to 8.1 million, up from October's 7.8 million and above pre-pandemic levels, though well below the March 2022 peak of 12 million. Notably, job openings still exceed the 7.1 million unemployed individuals, signaling that labor market conditions remain healthy despite moderation from historic highs. The labor market's strength is expected to retake center stage on Friday with the release of December's nonfarm payrolls and unemployment rate. Analysts project a 160,000 payroll increase, with the unemployment rate at 4.2%. The labor market's resilience has been a key pillar of economic stability over the past two years, and this trend is expected to continue into 2025, supporting the ongoing expansion of the U.S. economy.

### Growth vs. Value: A More Balanced Outlook for 2025

Growth stocks outpaced value stocks for the second consecutive year in 2024, with the Russell 1000 Growth Index gaining 33%, including dividends, compared to a 14% rise for the Russell 1000 Value Index. Enthusiasm around artificial intelligence and robust earnings growth have fueled growth in stock performance—however, the outlook for 2025 points to a more balanced dynamic between growth and value. Analysts anticipate earnings for the Russell 1000 Value Index to grow by approximately 12%, potentially marking the most substantial increase since 2021. This improved profitability outlook and value stocks' higher domestic revenue exposure could provide insulation against uncertainties such as trade policy changes.

### GDPNow Update:

- The GDPNow for the fourth quarter was updated on January 7, 2025, and rose to 2.70% GDP, a 12.50 % increase.

### Key Economic Data:

- **US Job Openings:** Total Nonfarm rose to 8.098 million, up from 7.839 million last month, increasing 3.30%.
- **US ISM Services PMI:** rose to 54.10, up from 52.10 last month, increasing 3.84%.

- **US ISM Services Employment Index:** fell to 51.40, down from 51.50 last month.
- **US ISM Services New Orders Index:** rose to 54.20, up from 53.70 last month, decreasing 0.93%.
- **US ISM Services Prices Paid Index:** rose to 64.40, up from 58.20 last month, increasing 10.65%.
- **US Trade Balance on Goods:** fell to -103.37B, down from -97.94B last month.
- **US Consumer Credit Outstanding MoM:** rose to 19.24 billion, up from 3.209 billion last month, increasing 499.6%.
- **Canada Ivey PMI:** rose to 54.70, up from 52.30 last month.
- **Eurozone Unemployment Rate:** is unchanged at 6.30%, compared to 6.30% last month.
- **Japan Consumer Confidence Index:** rose to 36.40, up from 36.20 last month.

#### Eurozone Summary:

- **Stoxx 600:** Closed at 514.67, up 1.65 points or 0.32%.
- **FTSE 100:** Closed at 8,245.28, down 4.38 points or 0.05%.
- **DAX Index:** Closed at 20,340.57, up 124.37 or 0.62%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,528.36, down 178.20 points or 0.42%.
- **S&P 500:** closed at 5,909.03, down 66.35 points or 1.11%.
- **Nasdaq Composite:** closed at 19,489.68, down 375.30 points or 1.89%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,645.44, up 47.43 points or 1.32%.
- **Birling Capital US Bank Index:** closed at 6,342.95, up 78.08 points or 1.25%.
- **US Treasury 10-year note:** closed at 4.67%.
- **US Treasury 2-year note:** closed at 4.30%.

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