

GLOBAL MARKET SQUARE



Federal Reserve Bank of Atlanta's GDP Now forecasts a -2.1% contraction for the second quarter, and Wall Street closes mixed.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets began the week mostly down as investors now consider a recession in the U.S. an impending possibility.

The Dow Jones closed down to begin the week, while the S&P 500 and Nasdaq Composite staged rallies that saw them close up. The benchmark 10-year Treasury yield and the 2-year yield had been inverted during the session only to close at 2.82%; an inverted yield curve is a strong historical track record as a recession indicator.

Most especially following the Federal Reserve Bank of Atlanta's GDPNow running estimate of real GDP reporting a contraction of -2.1% for the second quarter.

While the outlook for the second semester of 2022 is still quite unclear, Birling Capital projects that the U.S. will be able to avoid a recession, and we also expect Wall Street to end with gains for 2022.

Key economic data:

- U.S. Durable Goods New Orders MoM: rose to 0.81%, compared to 0.42% last month.
- U.S. Manufacturing Shipments: rose to \$544.39 billion, up from \$534.51 billion last month, increasing 1.85%.
- U.S. Nondefense Capital Goods Excluding Aircraft New Orders MoM: rose to 0.59%, compared to 0.35% last month.
- U.S. Retail Gas Price: fell to \$4.979, down from \$5.066 last week, decreasing -1.72%.
- Canada Building Permits MoM: rose to 2.34%, compared to -1.04% last month.
- Germany Exports MoM: fell to -0.50%, compared to 4.40% last month.

Puerto Rico COVID-19 Update July 5:

- Daily Cases: 508, up 21.48%.
- Positivity Rate: 32.89%, up 5.56%.
- Hospitalizations: 369, down 8.20%.
- Deaths: 5, down 37.5%.
- Source Puerto Rico Department of Health.

Eurozone Summary for July 5:

- Stoxx 600 closed at 400.57, down 8.74 points or 2.14%.
- FTSE 100 closed at 7,025.47, down 207.18 points or 2.86%.
- Dax Index closed at 12,401.20, down 372.18 points or 2.91%.

Wall Street Summary for July 5:

- Dow Jones Industrial Average closed at 30,967.82, down 129.44 points or 0.42%.
- S&P 500 closed at 3,831.39, up 6.06 points or 0.16%.
- Nasdaq Composite closed at 11,322.24, up 194.39 points or 1.21%.
- Birling Capital Puerto Rico Stock index closed at 2,629.43, up 31.31 points or 1.21%.
- The U.S. Treasury 10-year note closed at 2.82%.
- The U.S. Treasury 2-year note closed at 2.82%.



US Durable Goods, US Nondefense Capital Goods, US Retail Gas Price & Canada Building Permits



- US Durable Goods New Orders MoM
- US Nondefense Capital Goods Excluding Aircraft New Orders MoM
- US Retail Gas Price
- Canada Building Permits MoM





The Nasdaq Composite in bear territory

• Dow Jones Industrial Average Level % Change



• S&P 500 Level % Change



• Nasdaq Composite Level % Change



• Birling Capital Puerto Rico Stock Index Level % Change





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