

# GLOBAL MARKET SQUARE



**The Fed minutes say persisting inflation poses substantial risks to the economic outlook, Oil is down 12%, and Wall Street closed up.**

**Julio 6, 2022**

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. & European stock markets closed the session with gains amid the release of the Federal Reserve Bank minutes that call the out-of-control inflation a substantial risk for the U.S. economy.

As the Federal Reserve Bank sees inflation as persistent, it details that an increase of 50 to 75 basis points will be needed during the next meeting. A stricter monetary policy will be enacted if inflation proves harder to control. Fed Chair Powell said, "A US recession is now a possibility and would largely depend on factors outside the Fed's control, with little room for maneuvering without causing widespread job losses.

It is worth noting that U.S. job openings remain high at 11.25 million in May versus job seekers at only 5.02 million, a 55.53% deficit, keeping the labor market tight.

Finally, some relief as Oil Prices closed down 12% on fears that a global recession may materialize.

- West Texas Intermediate Crude is trading at \$98.60 vs. \$110.05 yesterday, down 10.40%.
- Brent Crude is trading at \$100.40 vs. \$113.80, down 11.77% yesterday.

In fixed income today, the dreaded inverted yield curve materialized at the U.S. Treasury 10-year note closed at 2.93%, well below the U.S. Treasury 2-year note that closed at 2.97%; the inverted yield curve is a warning sign that the economy has fallen into recession.

## **Key economic data:**

- U.S. ISM Services PMI: fell to 55.30, down from 55.90 last month, decreasing -1.07%.
- U.S. ISM Services New Orders Index: fell to 55.60, down from 57.60 last month, declining 3.47%.
- U.S. ISM Services Employment Index: fell to 47.40, down from 50.20 last month, decreasing -5.58%.
- U.S. ISM Services Prices Paid Index: fell to 80.10, down from 82.10 last month, declining -2.44%.
- Eurozone Retail Trade YoY: fell to 0.20%, compared to 4.00% last month.

## **Puerto Rico COVID-19 Update July 6:**

- Daily Cases: 309, down 39.17%.
- Positivity Rate: 31.05%, down 5.59%.
- Hospitalizations: 377, up 2.12%.
- Deaths: 6, up 16.6%.
- Source Puerto Rico Department of Health.

## Eurozone Summary for July 6:

- Stoxx 600 closed at 407.34, up 6.66 points or 1.66%.
- FTSE 100 closed at 7,107.77, up 82.30 points or 1.17%.
- Dax Index closed at 12,594.52, up 193.32 points or 1.56%.

## Wall Street Summary for July 6:

- Dow Jones Industrial Average closed at 31,067.68, up 69.86 points or 0.23%.
- S&P 500 closed at 3,845.08, up 13.69 points or 0.36%.
- Nasdaq Composite closed at 11,361.85, up 39.61 points or 0.35%.
- Birling Capital Puerto Rico Stock index closed at 2,643.95, up 14.52 points or 0.55%.
- The U.S. Treasury 10-year note closed at 2.93%.
- The U.S. Treasury 2-year note closed at 2.97%.



[www.birlingcapital.com](http://www.birlingcapital.com)

**US ISM Services PMI, US ISM Services  
New Orders Index, US ISM Services  
Employment Index, US ISM Services Paid**



- US ISM Services PMI
- US ISM Services New Orders Index
- US ISM Services Employment Index
- US ISM Services Prices Paid Index



• Dow Jones Industrial Average Level



• S&P 500 Level

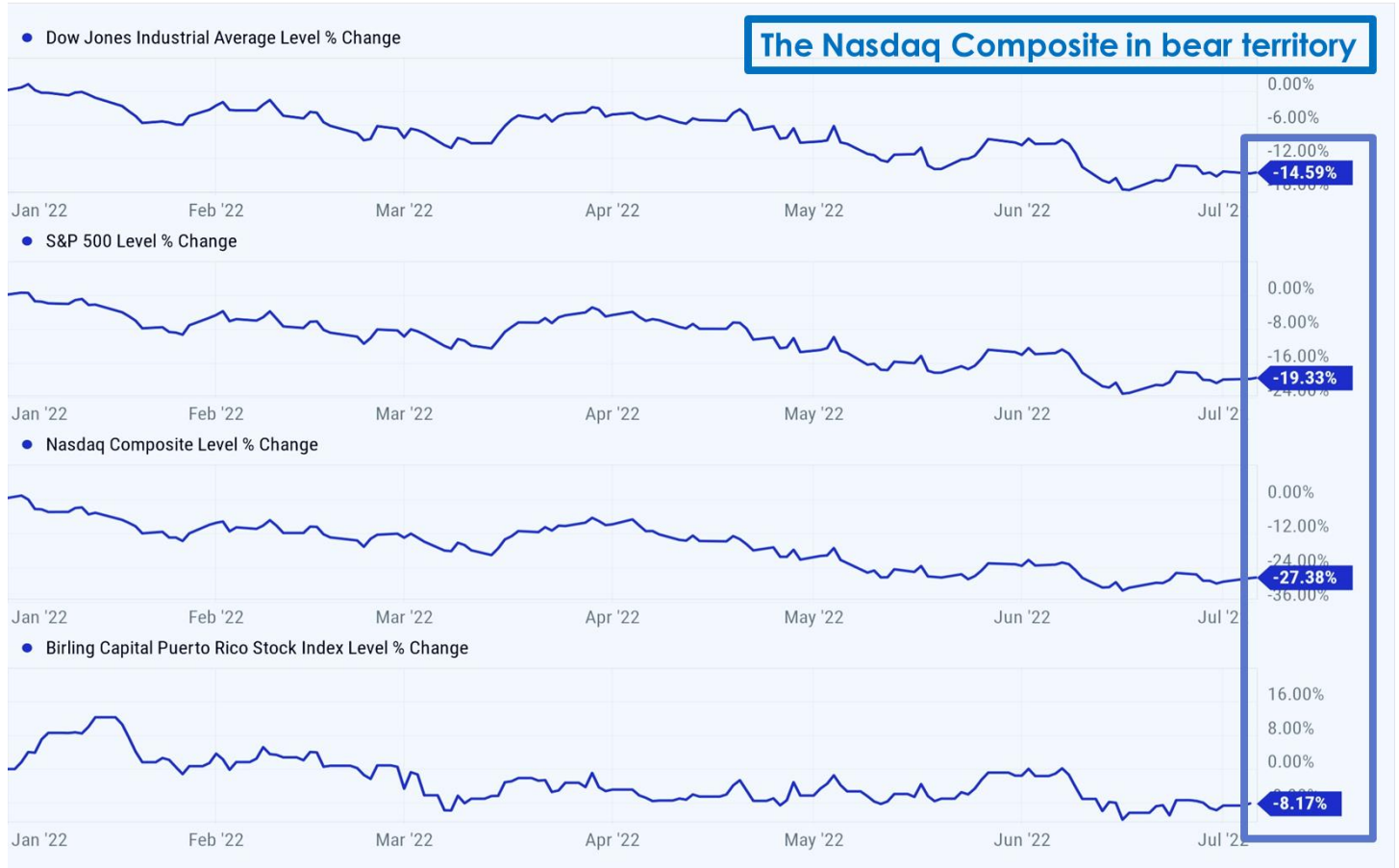


• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level





Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.