

GLOBAL MARKET SQUARE



U.S. Treasuries closed with an inverted yield curve for the second consecutive day, signaling the economy has fallen into recession and Wall Street closed with gains.

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The U.S. & European stock markets record their second consecutive session with gains.

Most investors continue to assess a scenario of a global economic slowdown mixed with the possibility that central banks could reduce their pace of interest rate increases. However, we do not see the Federal Reserve Bank slowing its interest rate increases anytime soon. Their recently published minutes clearly outline a 50 to 75 basis points increase during their next FOMC meeting; it will take a dramatic shift for that not to occur.

In fixed income today, the dreaded inverted yield curve materialized at the U.S. Treasuries for the second consecutive day. The US 10-year note closed at 3.01%, well below the U.S. Treasury 2-year note that closed at 3.03%; as we have said in the past, an inverted yield curve is a historical warning sign that the economy has fallen into recession.

Key economic data:

- U.S. Initial Claims for Unemployment Insurance: rose to 235,000 versus 231,000 last week, increasing 1.73%.
- ADP Nonfarm Payrolls MoM: fell to 128,230, down from 202,020 last month, decreasing -36.53%.
- U.S. Trade Balance on Goods and Services: improved to -85.55 Billion, up from -86.69 Billion the previous month.
- Canada Ivey PMI: fell to 62.20, down from 72.00 last month, decreasing -13.61%.
- Germany Industrial Production Index MoM: fell to 0.20%, versus 1.30% last month.
- Japan Business Conditions Composite Coincident Index: fell to 95.50, down from 96.80 last month, decreasing -1.34%.

Puerto Rico COVID-19 Update July 7:

- Daily Cases: 309, unchanged
- Positivity Rate: 31.30%, up 0.79%.
- Hospitalizations: 368, down 2.38%.
- Deaths: 4, down 33.3%.
- Source Puerto Rico Department of Health.

Eurozone Summary for July 7:

- Stoxx 600 closed at 415.37, up 8.03 points or 1.97%.
- FTSE 100 closed at 7,189.08, up 81.31 points or 1.14%.
- Dax Index closed at 12,843.22, up 248.70 points or 1.97%.

Wall Street Summary for July 7:

- Dow Jones Industrial Average closed at 31,384.55, up 348.87 points or 1.12%.
- S&P 500 closed at 3,902.62, up 57.54 points or 1.50%.
- Nasdaq Composite closed at 11,621.35, up 259.49 points or 2.28%.
- Birling Capital Puerto Rico Stock index closed at 2,6060.45, down 37.50 points or 1.42%.
- The U.S. Treasury 10-year note closed at 3.01%.
- The U.S. Treasury 2-year note closed at 3.03%.



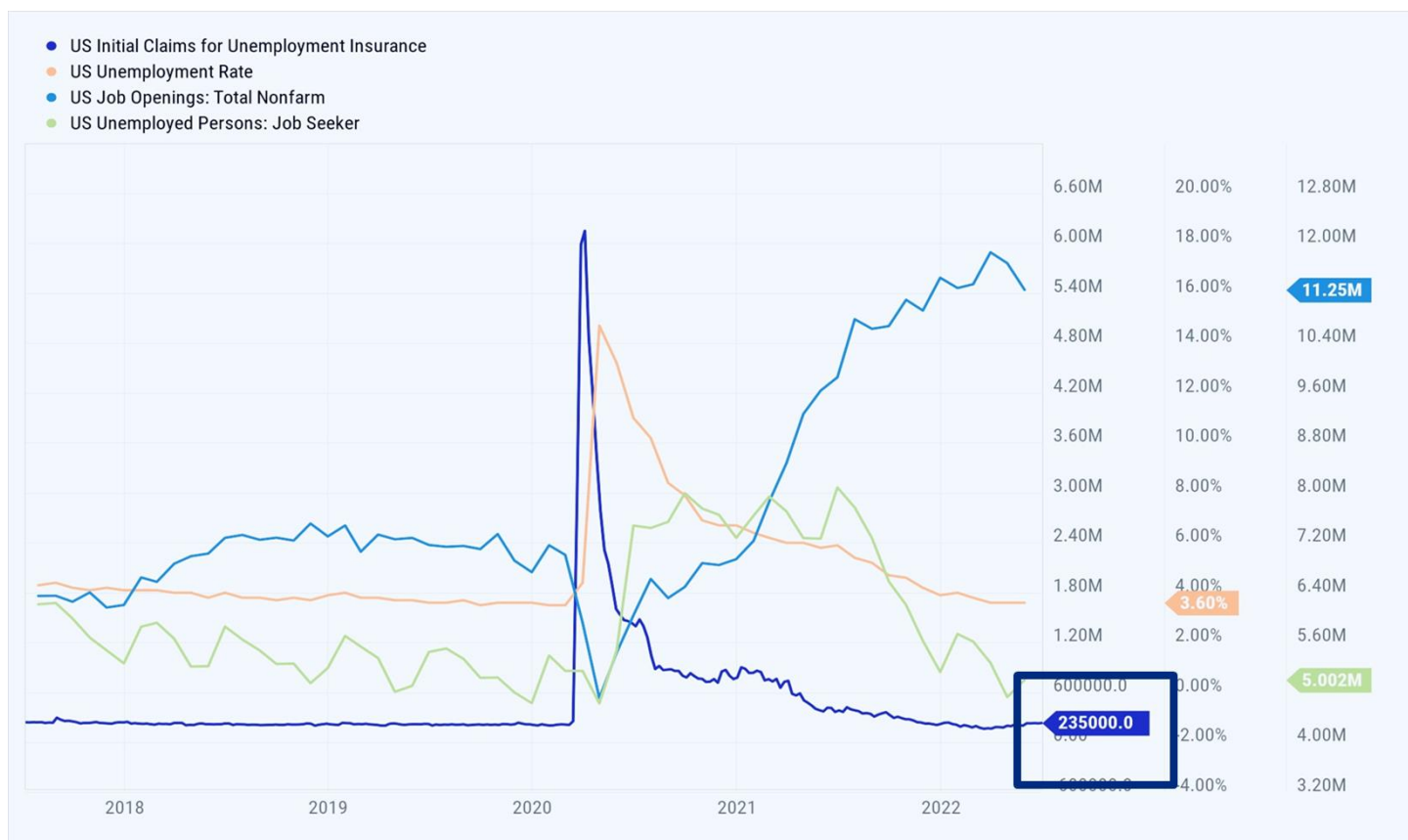
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Unemployment Data

7.7.22



The federal Labor Department reported on July 7 that jobless claims rose to 235,000 last week versus 231,000 a 1.73% increase.





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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