

GLOBAL MARKET SQUARE



A big Jobs growth surprise of 372,000 while down -3.12% creates a conundrum for investors; read on to see why, and Wall Street closed mixed.

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The U.S. & European Stock markets ended the week with mainly mixed results as in the U.S., only the Nasdaq closed up, and in Europe, the three indices we follow closed with gains.

Today the big news was the jobs reports that came in better than expected at 372,000 for the month of June; however, compared to the previous month, it decreased -by 3.12%, but delivered a continuation of solid growth in the labor sector of the U.S.

While positive, the Jobs growth data can be seen as problematic as investors are now trying to understand how such solid jobs growth may affect the Federal Reserve Banks' interest rate outlook and size.

In fixed income today, the dreaded inverted yield curve materialized for the third consecutive day, with the U.S. 10-year note closing at 3.09%, well below the U.S. Treasury 2-year note that closed at 3.12%.

An inverted yield curve is a historical warning sign that the economy has fallen into recession.

Key economic data:

- U.S. Nonfarm Payrolls MoM: fell to 372,000, down from 384,000 last month, decreasing -3.12%.
- U.S. Labor Force Participation Rate: fell to 62.20%, compared to 62.30% last month.
- U.S. Consumer Credit Outstanding MoM: fell to \$22.35 Billion, down from \$36.76 Billion last month, decreasing -39.21%.
- U.S. Wholesale Inventories MoM: fell to 1.81%, compared to 2.28% last month.
- Canada Employment Net Change: fell -43.20K, down from 39.80K last month.
- Canada Labour Force Participation Rate: fell to 64.90%, compared to 65.30% last month.
- China Producer Price Index YoY: fell to 6.40%, compared to 8.00% last month.
- China Inflation Rate: remained at 2.10%, compared to 2.10% last month.

Puerto Rico COVID-19 Update July 8:

- Daily Cases: 309, unchanged
- Positivity Rate: 30.54, down 2.42%.
- Hospitalizations: 378, up 2.71%
- Deaths: 8, up 50%.
- Source Puerto Rico Department of Health.

Eurozone Summary for July 8:

- Stoxx 600 closed at 416.94, up 1.93 points or 0.47%.
- FTSE 100 closed at 7,196.24, up 7.16 points or 0.100%.
- Dax Index closed at 13,015.23, up 172.01 points or 1.34%.

Wall Street Summary for July 8:

- Dow Jones Industrial Average closed at 31,338.15, down 46.40 points or 0.15%.
- S&P 500 closed at 3,899.38, down 3.24 points or 0.08%.
- Nasdaq Composite closed at 11,635.31, up 13.96 points or 0.12%.
- Birling Capital Puerto Rico Stock index closed at 2,637.58, up 31.13 points or 1.19%.
- The U.S. Treasury 10-year note closed at 3.09%.
- The U.S. Treasury 2-year note closed at 3.12%.

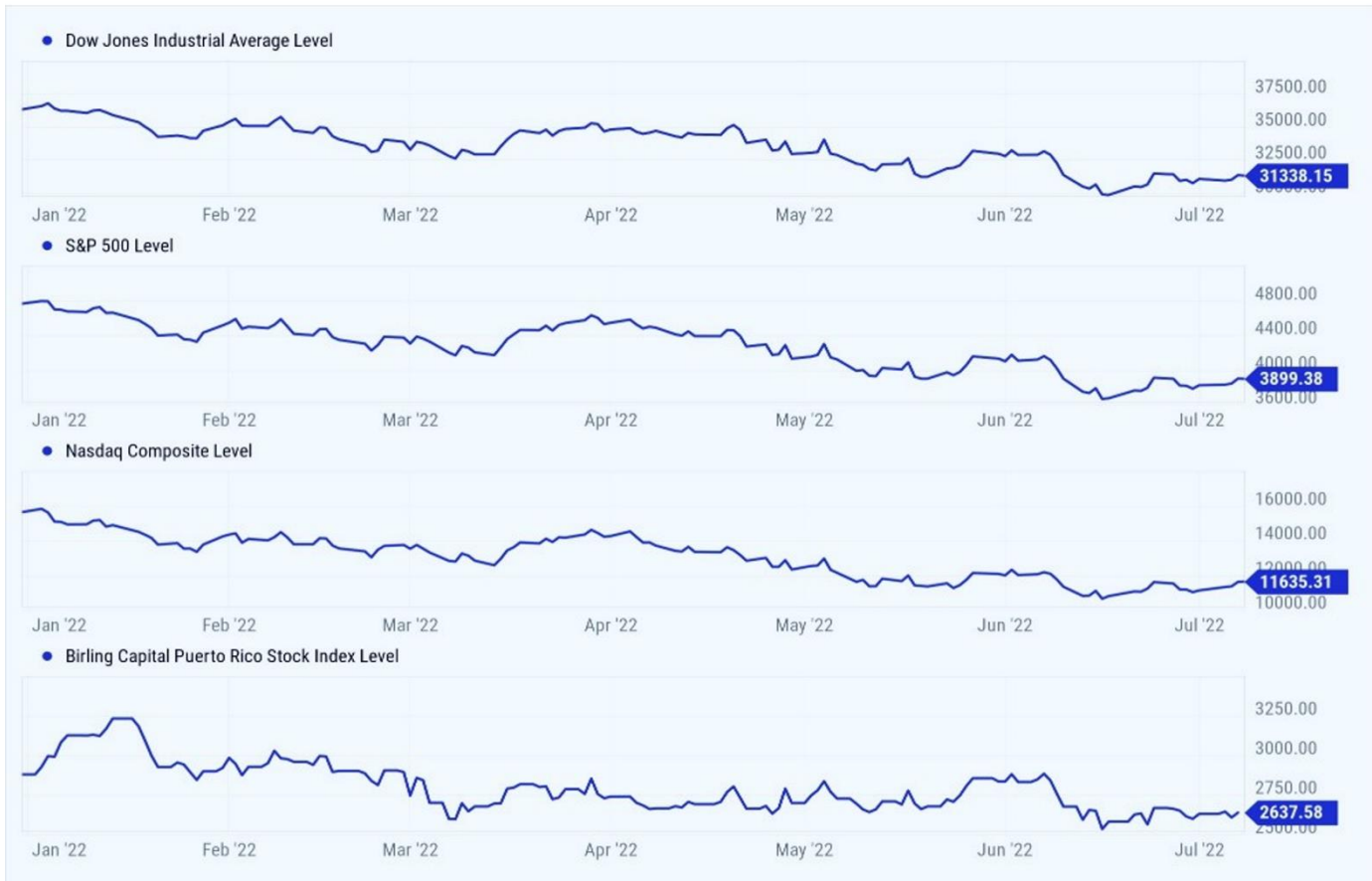


Jobs Report

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