

# GLOBAL MARKET SQUARE



The Fed raised interest rates by 75 basis points, the most considerable increase in 28 years, and Wall Street rallied.

June 15, 2022

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The U.S. & European stock markets staged a rally today following the determination of the Fed's FOMC to raise interest rates by 75 basis points, the most significant increase in 28 years. By taking rates to 1.50%-1.75%, the FOMC takes a bold step in its fight to decrease inflation. The markets hate uncertainty, and materially having the Fed address inflation with a firm hand provides it.

During the press conference, Fed Chairman Powell stated, "either a 50 basis point or a 75 basis point increase seems most likely at our next meeting".

## The FOMC commented on its reasoning for the increase:

- Overall economic activity has improved from the 1Q22 numbers.
- Jobs Growth remains strong.
- The unemployment rate remains low at 3.60%
- Inflation continues high, with the CPI at 8.56%, a mirror image of the supply chain disruptions caused by the COVID-19 pandemic and high energy prices.
- The invasion of Ukraine by Russia, in addition to affecting the lives of thousands, the war is creating additional pressure on inflation and contagion to global economic activity.
- The FOMC is seeking maximum employment and an inflation rate of 2%.

Additionally, the U.S. Retail Sales fell unexpectedly -0.27%, compared to 0.70% last month, with Car sales leading the charge, falling 3.99% due to an overall inventory shortage and rising gas prices forcing people to buy fewer items.

## Key economic data:

- U.S. Retail Sales YoY: rose to 6.85%, compared to 6.19% last month.
- U.S. Retail and Food Services Sales MoM: fell -0.27%, compared to 0.70% last month.
- U.S. Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM: rose to 0.52%, compared to 0.44% last month.
- U.S. Export Prices YoY: rose to 18.92%, compared to 18.32% last month.
- U.S. Import Prices YoY: fell to 11.75%, compared to 12.51% last month.
- U.S. Business Inventories MoM: fell to 1.19%, compared to 2.39% last month.
- U.S. Wholesalers Inventories MoM: fell to 2.15%, compared to 2.74% last month.
- NAHB/Wells Fargo US Housing Market Index: fell to 67.00, down from 69.00 last month.

## Puerto Rico COVID-19 Update June 15:

- **Daily Cases: 660, down 5.03%.**
- Positivity Rate: 31.27%, down 0.35%.

- Hospitalizations: 393, up 4.07%.
- Deaths: 11, up 18.18%.
- Vaccination Rate: 87.5%
- Source Puerto Rico Department of Health.

### Eurozone Summary for June 15:

- Stoxx 600 closed at 413.44, up 6.12 points or 1.50%.
- FTSE 100 closed at 7,273.41, up 85.95 points or 1.20%.
- Dax Index closed at 13,485.29, up 180.90 points or 1.36%.

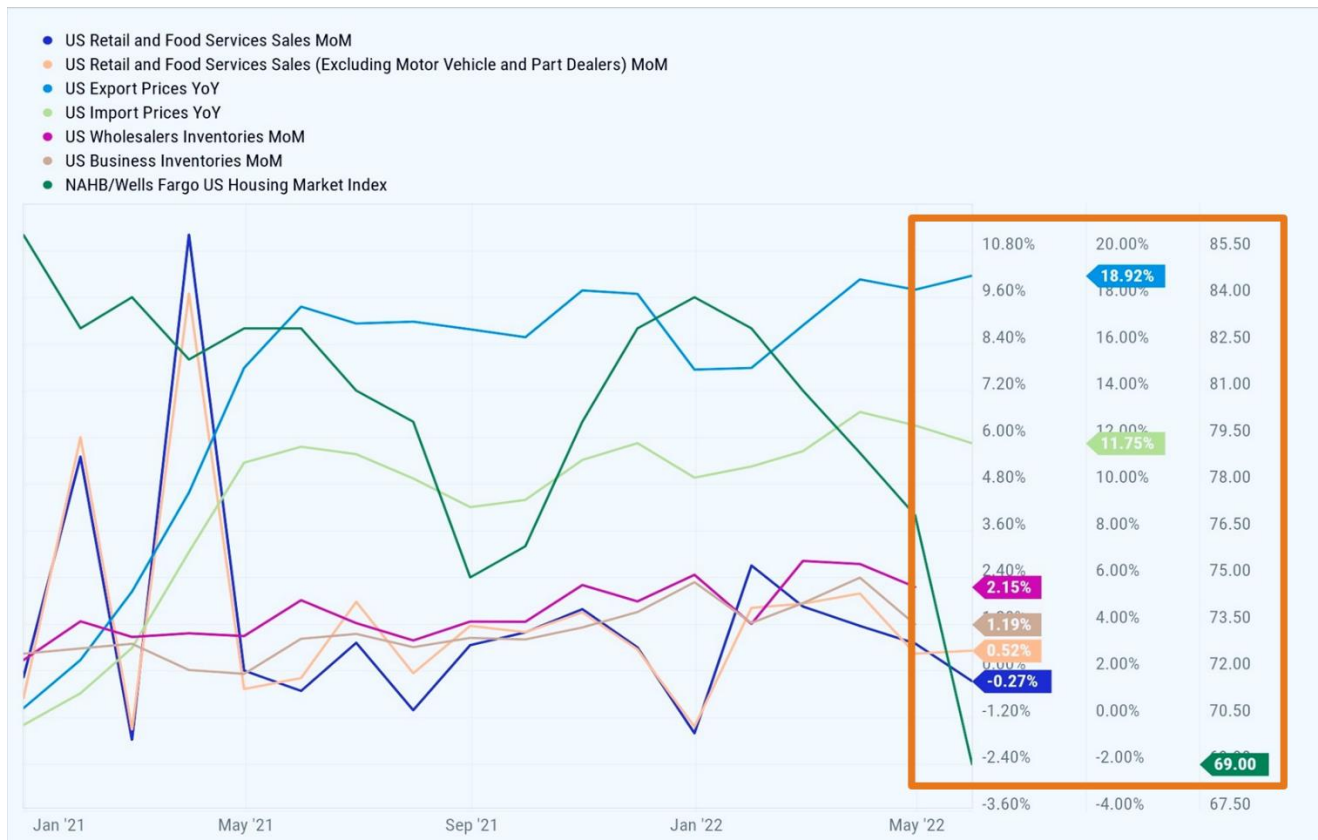
### Wall Street Summary for June 15:

- Dow Jones Industrial Average closed at 30,668.53, up 303.70 points or 1.00%
- S&P 500 closed at 3,789.99, up 54.51 points or 1.46%.
- Nasdaq Composite closed at 11,099.15, up 270.81 points or 2.50%.
- Birling Capital Puerto Rico Stock index closed at 2,653.97, up 61.50 points or 2.37%.
- The U.S. Treasury 10-year note closed at 3.33%.
- The U.S. Treasury 2-year note closed at 3.20%.



6.15.22

US Retail & Food Services Sales, Exports Prices, Import Prices, Wholesale Inventories, Business Inventories, NAHB/Wells Fargo Housing Market

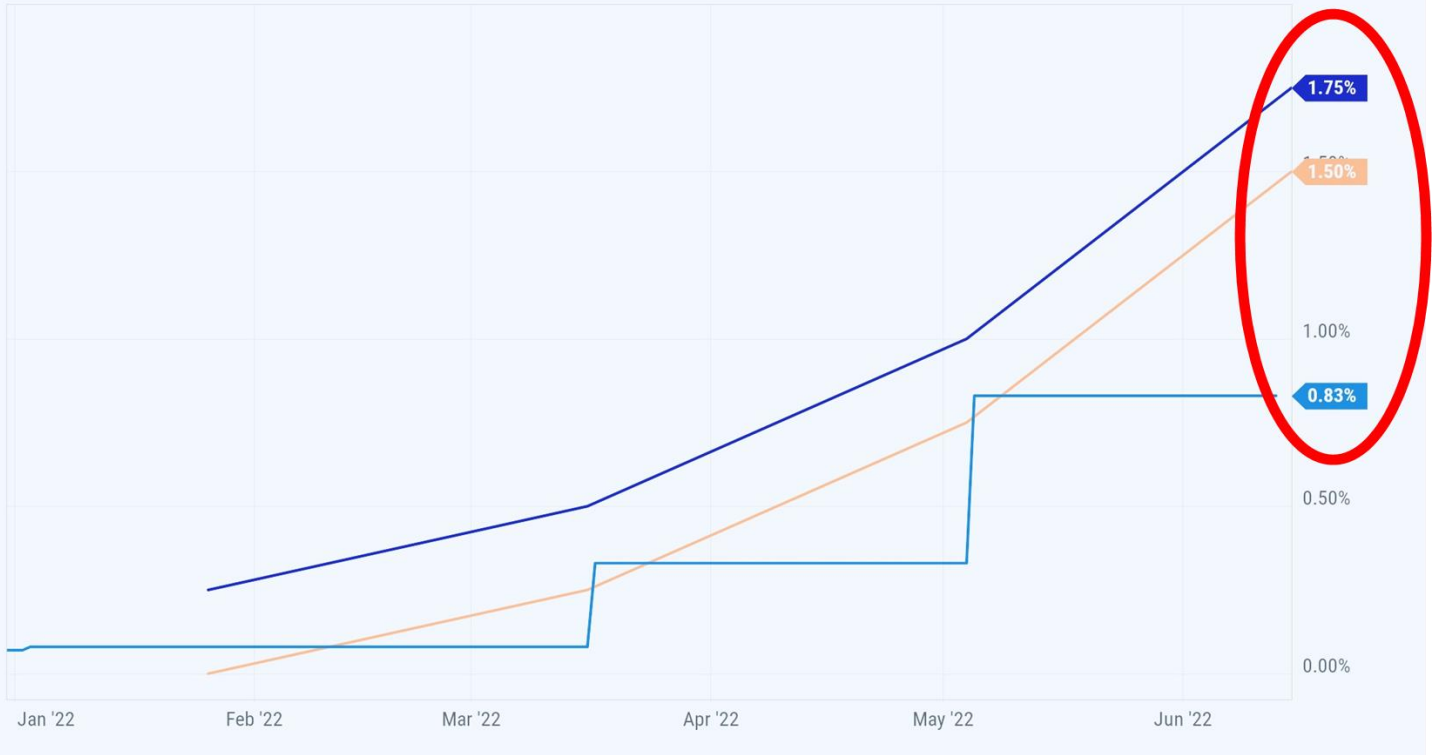


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## Interest Rate Hikes



- Target Federal Funds Rate Upper Limit
- Target Federal Funds Rate Lower Limit
- Effective Federal Funds Rate





● Dow Jones Industrial Average Level



● S&P 500 Level

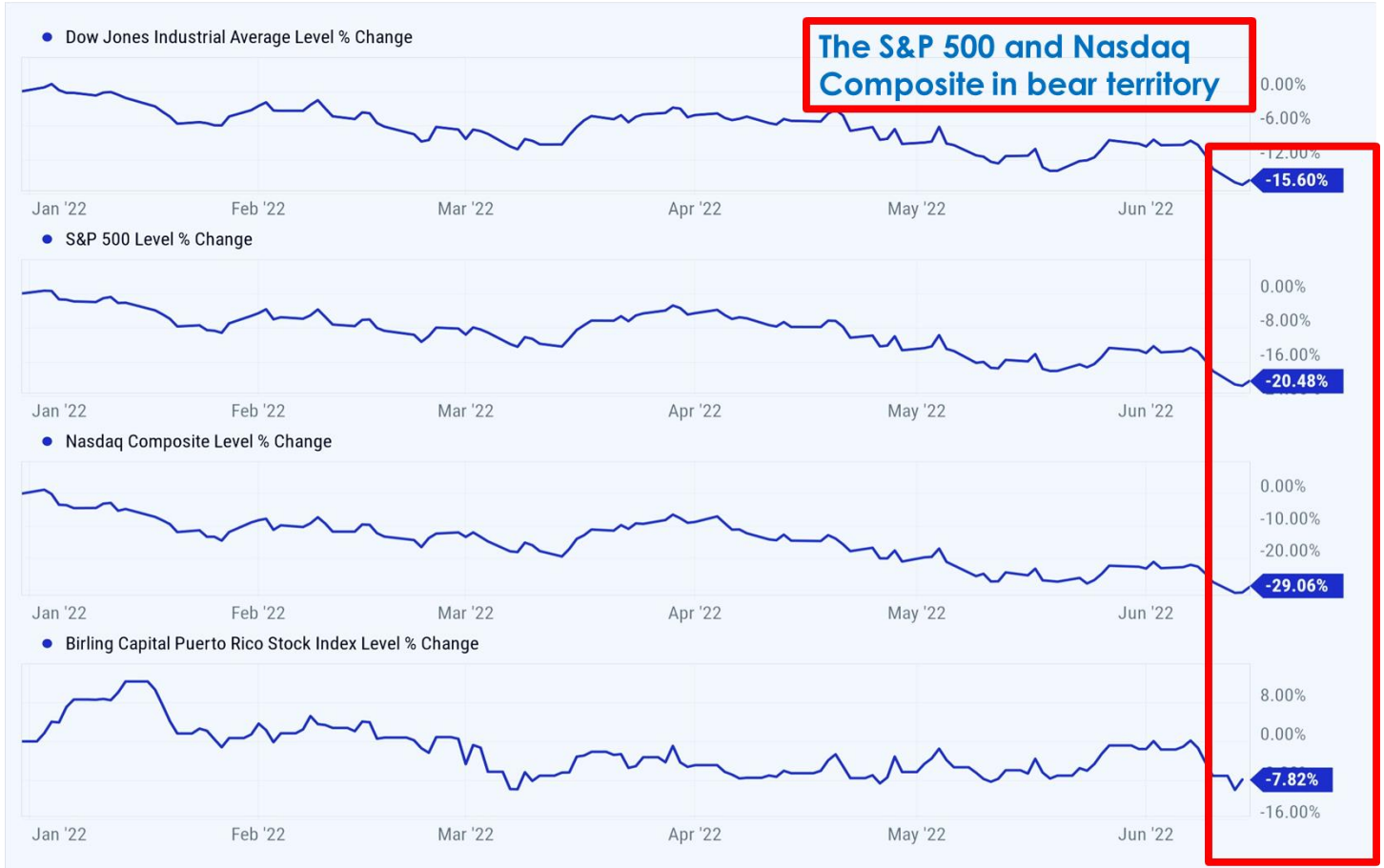


● Nasdaq Composite Level



● Birling Capital Puerto Rico Stock Index Level





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