

The Inflation Nowcast has the CPI at 4.13%, Core CPI at 5.34%, and Wall Street Closed up.

June 6, 2023

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed slightly up from yesterday's close. Still, the rise was quite timid as U.S. economic data was light, and European financial data only reported retail trade numbers.

Investors are already focusing on next week's CPI for May and the Fed's FOMC meeting. The latest Inflation Nowcast from the Cleveland Fed is expected to come in at 4.13% and Core CPI at 5.34%; meanwhile, our expectation for the Fed's FOMC meeting pause maintaining rates in place this month as the rate increases are absorbed thru the economy with a focus on gearing to a sustainable economic momentum. For the July meeting, the FOMC may increase rates by 25 basis points depending on the CPI and PCE data.

Investors are reminded that the Fed has maintained that Interest rate determinations will depend on the economic data results for the rest of the year. Worth noting that the labor market remains robust, as proven by last week's jobs growth reaching 10.10 million and surpassing expectations, with an increase in the unemployment rate for good measure. Do not forget that the Fed's Inflation target is 2%, and using last month's 4.93% CPI it's 146.5% above target even though the current CPI Inflation Nowcast of 4.13% is still 106.5% above the target, and this is not the position the Fed wants to be in.

Key Economic Data:

- **Canada Ivey PMI:** fell to 53.50, down from 56.80 last month, decreasing -5.81%.
- **Canada Building Permits MoM:** fell to -18.80%, compared to 12.31% last month.
- **Eurozone Retail Trade YoY:** improved to -2.60%, compared to -3.30% last month.
- **Eurozone Retail Trade MoM:** 0.00%, compared to -0.50% last month.

Eurozone Summary:

- **Stoxx 600** closed at 461.28, up 1.75 points or 0.38%.
- **FTSE 100** closed at 7,628.10, up 28.11 points or 0.37%.
- **Dax Index** closed at 15,992.44, up 28.55 points or 0.18%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,573.28, up 10.42 or 0.03%.
- **S&P 500** closed at 4,287.85, up 10.06 points or 0.24%.
- **Nasdaq Composite** closed at 13,276.42, up 46.99 points or 0.36%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,469.23, down 85.66 points or 3.25%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,632.19, down 30.26 points or 0.83%.

- U.S. Treasury 10-year note closed at 3.70%.
- U.S. Treasury 2-year note closed at 4.51%.



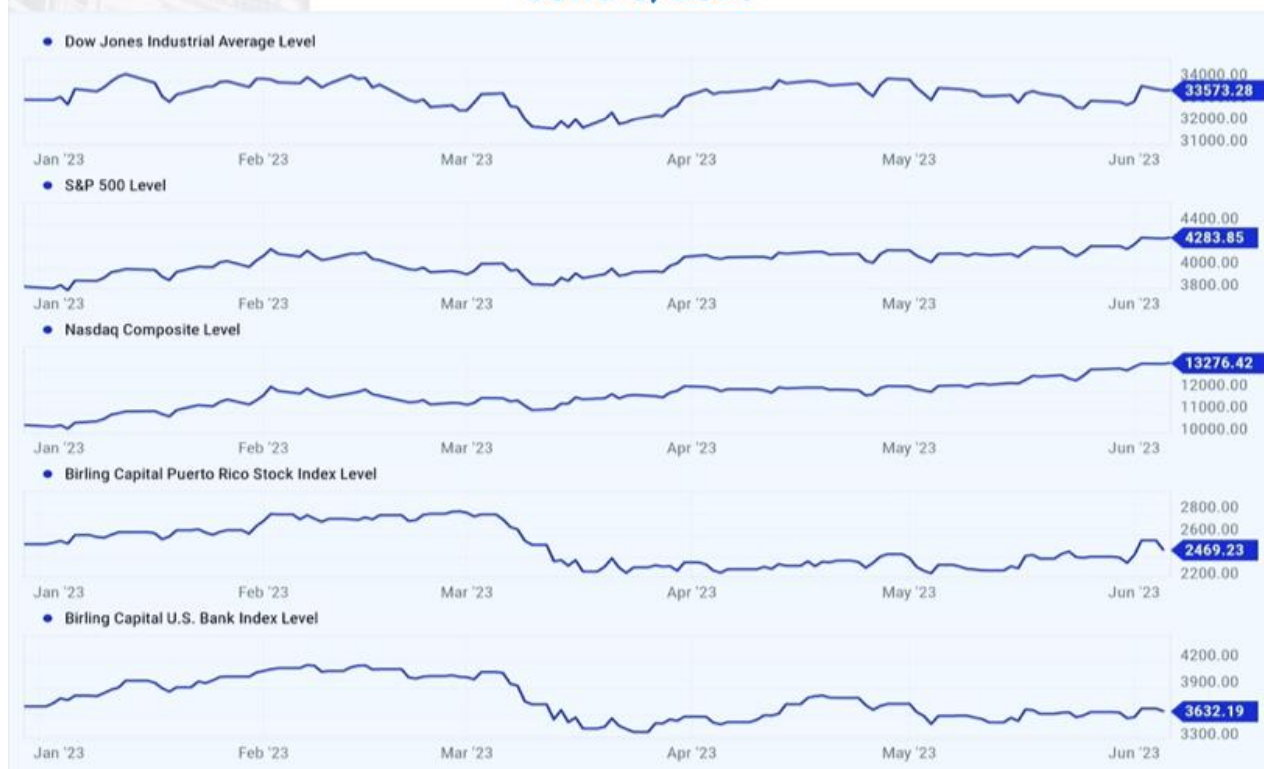
Canada Ivey PMI, Canada Building Permits, Eurozone Retail Trade Y-o-Y & Eurozone Retail Trade M-o-M



Wall Street Recap

June 6, 2023

www.birlingcapital.com



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.