

The Federal Reserve Bank gets ready to raise interest rates later in the week, Oil prices continue to fall, and Wall Street begins the week with mixed results.

March 14, 2022

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The U.S. & European stock markets began the week with mixed results. As investors combine the Ukrainian war with the Federal Reserve Bank two day meeting from March 16-17, the Fed is poised to increase interest rates to at the very least 25 basis points during the session. Our analysis indicates that the economy is robust enough to absorb five additional interest rate increases. In all probability, the Fed action will be mirrored by other central banks worldwide even with the economic cost of the Ukrainian conflict.

With the Consumer Price Index rising to 7.87%, a 40 year high, from 2.62% in March 2021, the Fed needs to act fast to reset inflation.

As for the state of the U.S. economy, this week, we have several reports that will shed some light on the broader shape of the U.S. economic engine that includes:

- Producer Price index on March 15, followed by U.S. Retail Sales, U.S. Business Sales, U.S. Inventories on March 16, Housing Starts, and Initial claims for Unemployment Insurance on March 17; following these reports, we shall have a greater context of the shape and direction of the economy.

The White House has told NATO that China has expressed willingness to assist Russia with military aid for its invasion of Ukraine. Should this happen, it adds another dangerous level and takes us closer to a World War-type conflict. As we study the food exports from Ukraine that surpass \$23.6 billion annually, it's worth noting that Ukraine's top trading partner with \$15.3 billion of its total exports is China. Should the Chinese join Russia to aid militarily in the invasion of Ukraine is a slap in the face to the people of Ukraine.

Looking for opportunities: since the pandemic, we have been comparing ten tech stocks, divided as follows five that benefited the most during the pandemic and five tech giants; we examine their year to date results:

Pandemic Darlings:

- Zoom Video (ZM): has a YTD return of -46.65%.
- Etsy Inc. (ETSY): has a YTD return of -44.63%.
- Door Dash (Dash): has a YTD return of -41.59%.
- Peloton Inc. (PTON): has a YTD return of -40.88%.
- Just Eat (GRUB): has a YTD return of -37.55%.

Tech Giants:

- Microsoft (MSFT): has a YTD return of -16.73%.
- Apple (AAPL): has a YTD return of -12.86%.
- Oracle (ORCL): has a YTD return of -10.77%.
- Alphabet (GOOG): has a YTD return of -9.82%.
- Hewlett Packard (HPE): has a YTD return of 4.95%.

As you can see, not all that shines is gold, which is evident from the results of the pandemic darlings; as soon as the economy normalized, their business models suffered. Whereas the current market volatility has also impacted the Tech giants, these groups are robust companies that have continued to deliver outstanding results if you have not done so, so it is worth considering adding some to your portfolios.

Key economic data:

- U.S. Retail Gas Price: rose to \$4.196, up from \$3.701 last week, increasing 13.37% from the previous week and 50.07% from one year ago.

Puerto Rico COVID-19 Daily Update:

- New Cases: 56, down 6.66%.
- Positivity Rate: 3.76%, up 5.76%.
- Puerto Rico Vaccination Rate: 85.9%.
- Total Hospitalizations: 44, no change
- Deaths: 0
- Source: Puerto Rico Department of Health

Eurozone Summary for March 14:

- Stoxx 600 closed at 436.52, up 5.35 points or 1.24%.
- FTSE 100 closed at 7,193.47, up 37.83 or 0.53%.
- Dax Index closed at 13,929.11, up 301.00 points or 2.21%.

Wall Street summary for March 14:

- Dow Jones Industrial Average closed at 32,945.24, up 1.05 points or 0.00%.
- Standard & Poor's 500 closed at 4,173.11, down 31.20 points or 0.74%.
- Nasdaq Composite Index closed at 12,581.22, down 262.59 points or 2.04%.
- Birling Capital Puerto Rico Stock Index closed at 2,676.64, up 31.09 or 1.18%.
- The U.S. Treasury 10-year note closed at 2.14%.
- The U.S. Treasury 2-year note closed at 1.87%.

Looking for Opportunities: Tech Companies that benefited most during the pandemic VS Tech Giants YTD



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- Peloton Interactive Inc Price % Change
- DoorDash Inc Price % Change
- Etsy Inc Price % Change
- Zoom Video Communications Inc Price % Change
- Just Eat Takeaway.com NV Price % Change
- Apple Inc Price % Change
- Microsoft Corp Price % Change
- Alphabet Inc Price % Change
- Oracle Corp Price % Change
- Hewlett Packard Enterprise Co Price % Change





• Dow Jones Industrial Average Level



• S&P 500 Level



• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



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