

GLOBAL MARKET SQUARE



Central Bank Week Begins with Federal Reserve and Bank of Japan Meetings Taking Center Stage as Investors Navigate Mixed Markets.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets opened the week with mixed results, as all the attention moved toward the Federal Reserve Bank and the Bank of Japan meetings. Thus, this is Central Bank week, which began today.

This week, attention turns to central bank policy decisions with Wednesday's Federal Open Market Committee (FOMC) meeting. Market consensus anticipates the Fed to maintain rates between 5.25% and 5.50%. Investors can take comfort in the fact that despite potential adjustments to the inflation outlook for 2024, the Fed's stance on a gradual rate-cutting cycle and moderated inflation remains unchanged. This stability in the Fed's approach can help maintain investor confidence in the market. Bank of Japan's Policy Decision in Focus: Potential Rate Hike Anticipated.

On Tuesday, the Bank of Japan (BoJ) is set to announce its policy decision, with forecasts suggesting a potential rate hike for the first time since 2007, transitioning from negative rates to the 0%—0.1 % range. This shift, driven by increased confidence in economic conditions and inflation targets, could impact global rates, potentially nudging U.S. government bond rates higher. The BoJ's move underscores a broader trend toward normalization in monetary policy, contributing to recent increases in U.S. Treasury yields.

However, Wall Street benefited from tech-driven optimism, which propelled stock markets higher, with the Nasdaq showcasing notable gains compared to the Dow Jones and S&P 500. Investors showed confidence in the technology and artificial intelligence (A.I.) sectors, buoyed by speculation of a potential partnership between Apple and Google's Gemini platform to integrate A.I. into the iPhone. NVIDIA's annual GTC conference for A.I. developers, featuring a keynote address from CEO Jensen Huang, added to the positive sentiment.

Meanwhile, Treasury yields continued their ascent, with the 10-year Treasury yield surpassing 4.3%. This reflects the market's revised expectation of fewer rate cuts by the Federal Reserve this year, now projected at two to three cuts, down from the initial forecast of six.

Key Economic Data:

- **N.Y. Fed Business Leaders Survey Current Business Activity:** rose to 0.60, up from -7.30 last month.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 51.00, up from 48.00 last month, increasing 6.25%.
- **U.S. Retail Gas Price:** rose to \$3.569, up from \$3.492 last week, up 2.21%.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** fell to 3.10%, compared to 3.30% last month.

Eurozone Summary:

- **Stoxx 600** closed at 503.94, down 0.86 points or 0.17%.
- **FTSE 100** closed at 7,722.58, down 4.87 points or 0.06%.
- **Dax Index** closed at 17,932.68, down 3.97 points or 0.02%.

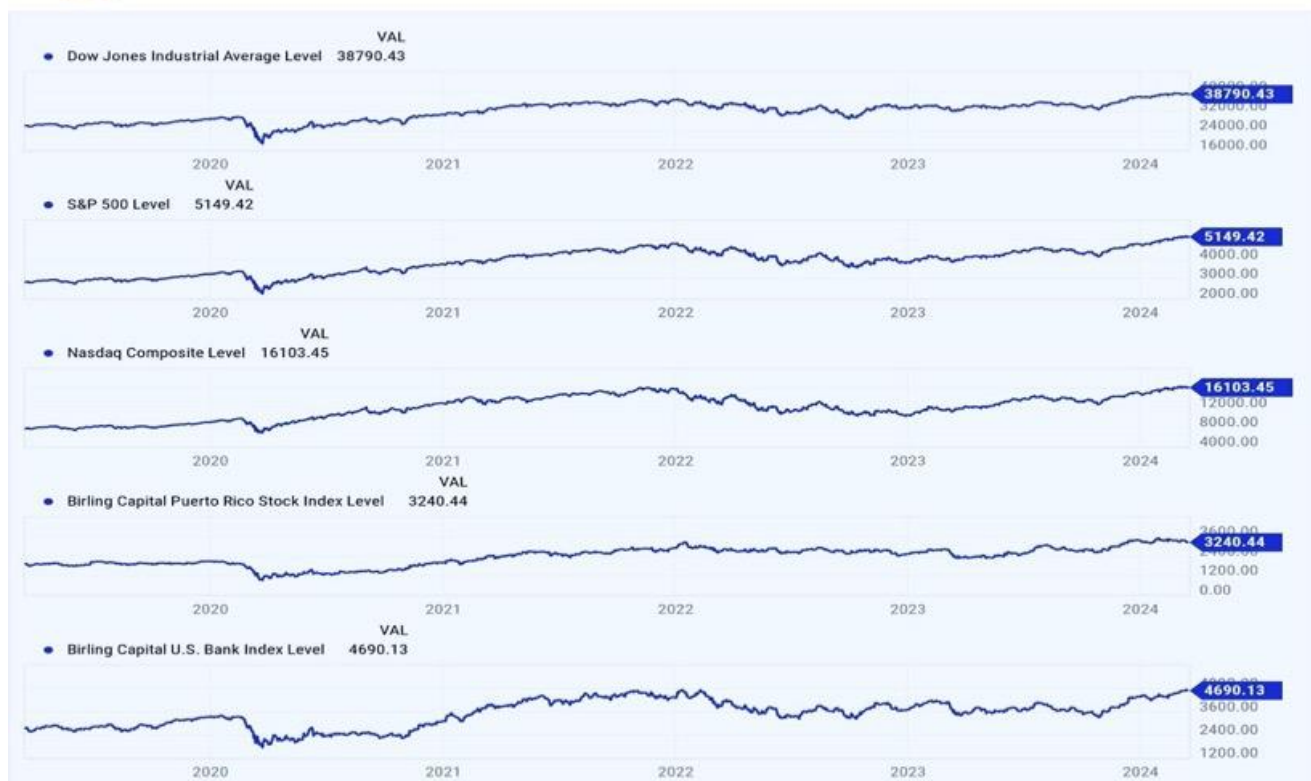
Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,790.43, up 75.66 points or 0.20%.
- **S&P 500** closed at 5,149.42, up 32.33 points or 0.63%.
- **Nasdaq Composite** closed at 16,103.45, up 130.27 points or 0.82%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,240.44, up 15.11 points or 0.47%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,690.13, up 3.31 points or 0.07%.
- **U.S. Treasury 10-year note** closed at 4.34%.
- **U.S. Treasury 2-year note** closed at 4.73%.



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