



Global Markets Rally as Central Banks Signal Rate Cuts: Dow, S&P 500, and Nasdaq Surge.

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The U.S. and European stock markets continued adding to the rally following the Federal Reserve's recent decision to maintain interest rates at 5.25% -5.5%, with the possibility of three rate cuts in 2024 signaling optimism in the economy's growth trajectory. The Dow Jones, S&P 500, and Nasdaq are either above heights or close to them. Treasury yields dipped to around 4.26%, reinforcing positive sentiment in stock and bond markets.

The Federal Reserve adopted a dovish stance during its recent meeting, retaining rates at 5.25% -5.5% while projecting potential rate cuts in 2024. Fed Chair Jerome Powell emphasized the gradual decline of inflation to 2%, suggesting a forthcoming multiyear rate-cutting cycle, with the Fed funds rate aiming for approximately 3.1% by 2026. The Fed also hinted at slowing the pace of its taper, further underscoring its accommodative stance.

In addition to the Fed and the Bank of Japan's decisions, the Swiss National Bank surprised markets by cutting its policy rate by 0.25%, citing effective inflation management. It marks the initiation a rate-cutting cycle among major global central banks, preceding actions by the Fed and Bank of Canada. Conversely, the Bank of England maintained its policy rate at 5.25%, though expectations point to gradual rate cuts starting in August. This collective move towards rate cuts among major central banks is expected to bolster market sentiment and facilitate consumer and corporation borrowing, potentially stimulating economic growth.

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 210,000.0, down from 212,000.0 last week.
- **U.S. Existing Home Sales:** rose to 4.38 million, up from 4.00 million last month and down from 4.53M, up 9.50%.
- **30-Year Mortgage Rate:** rose to 6.87%, compared to 6.74% last week.
- **Japan Consumer Price Index YoY:** fell to 2.20%, compared to 2.60% last month.

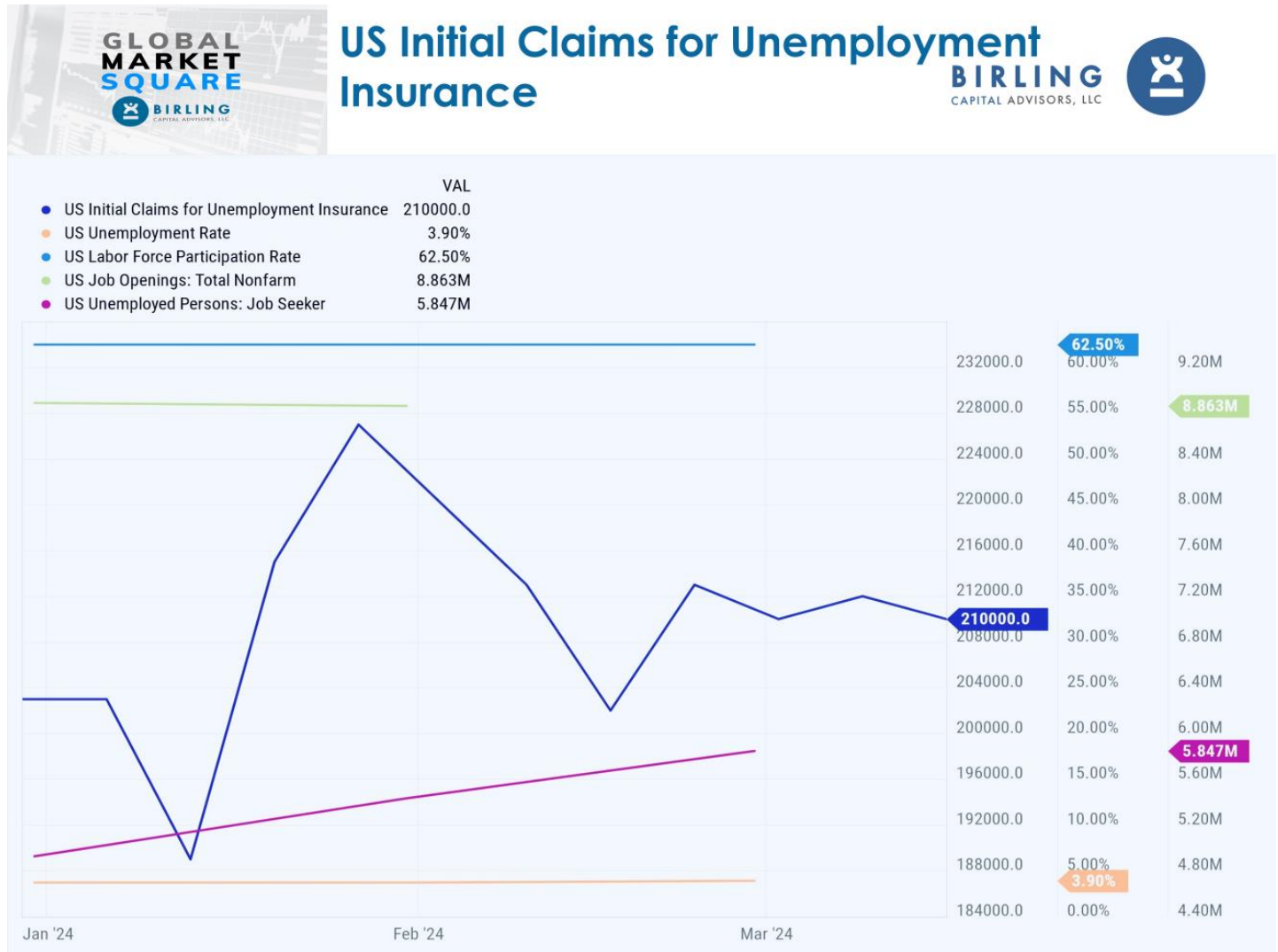
Eurozone Summary:

- **Stoxx 600** closed at 509.77, up 4.46 points or 0.90%.
- **FTSE 100** closed at 7,882.55, up 145.17 points or 1.88%.
- **Dax Index** closed at 18,179.25, up 164.12 points or 0.91%.

Wall Street Summary:

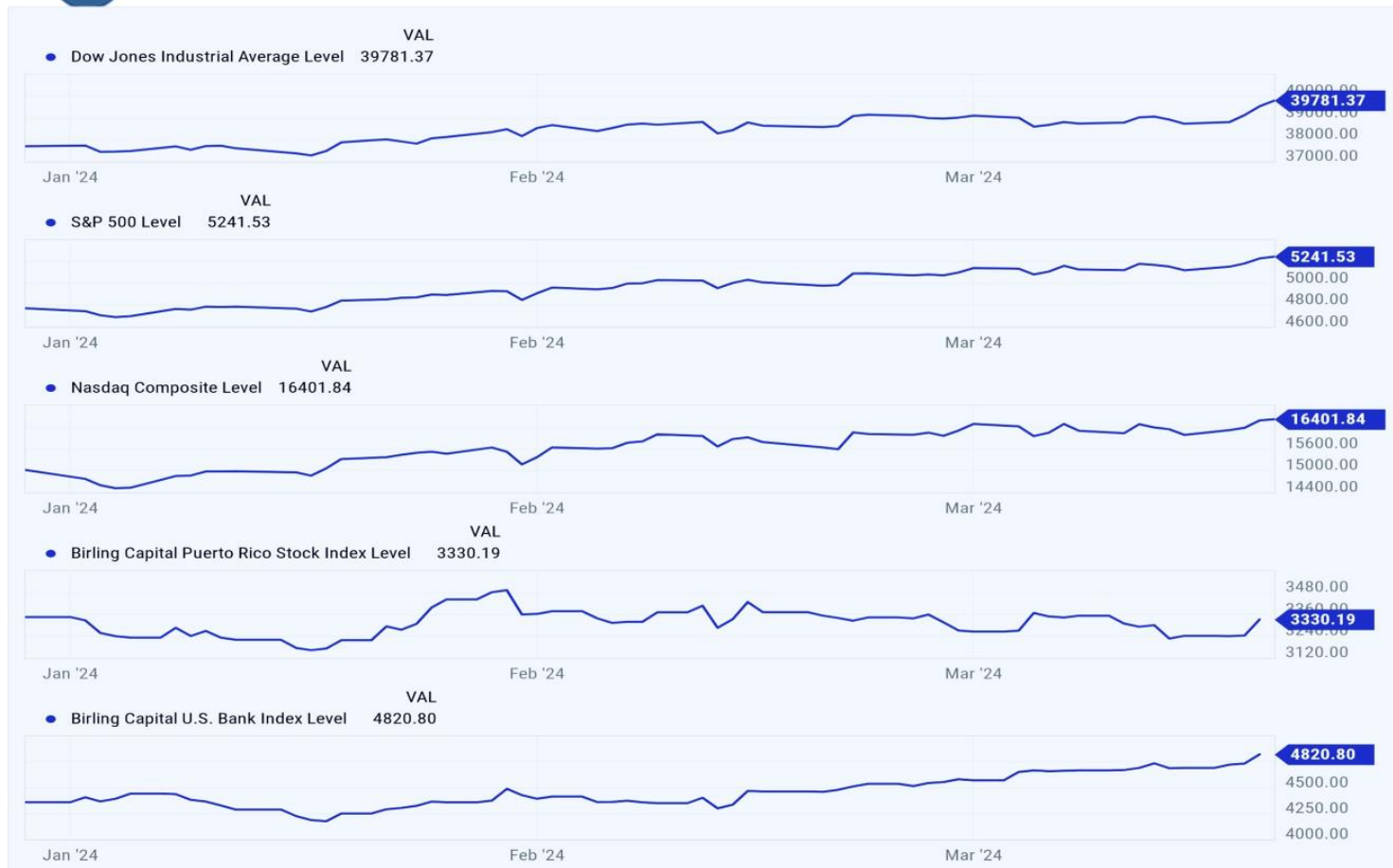
- **Dow Jones Industrial Average** closed at 39,781.37, up 269.24 points or 0.68%.
- **S&P 500** closed at 5,241.53, up 16.91 points or 0.32%.

- **Nasdaq Composite** closed at 16,401.84, up 32.43 points or 0.20%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,330.19, up 88.20 points or 2.75%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,820.80, up 89.12 points or 1.88%.
- **U.S. Treasury 10-year note** closed at 4.27%.
- **U.S. Treasury 2-year note** closed at 4.62%.



Wall Street Recap

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