

GLOBAL MARKET SQUARE



Labor Market Resilience Evident as Jobless Claims Fall, Inflation Focus Shifts to Fed's Preferred Measure the PCE and Wall Street Closed Mixed.

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The U.S. and European stock markets closed the session higher, adding to the robust rally on Tuesday and propelling the S&P 500 to a new all-time high today. The absence of significant catalysts today has shifted focus to the latest jobless claims report, which sheds light on the labor market's trajectory. Anticipation is palpable as investors await tomorrow's pivotal PCE inflation report, potentially setting the stage for market movements next week, especially since the market is closed tomorrow in observance of Good Friday.

On a global scale, equities are mainly on an upward trajectory, spearheaded by gains in European and Chinese markets, albeit with Japanese equities trailing behind. Meanwhile, interest rates show a slight uptick, with the 10-year Treasury yield closing unchanged at 4.20%, while the 2-year Treasury yield rose at 4.59%. This indicates recent market sentiments anchored by the expectation that the Fed will unlikely initiate rate cuts until at least the summer.

.Assessment of the labor market portrays resilience: This week's initial jobless claims report revealing a decline to 210,000, the second-lowest figure since early January, underscores the robustness of the job market. While continuing claims have gradually increased over the past year, they remain consistent with a healthy employment landscape. The data suggests a lack of imminent layoffs, threatening to escalate the unemployment rate significantly in the near future. However, the marginal rise in continuing claims signals a growing challenge for sidelined workers in securing new employment opportunities. Although the job market retains its tightness, ongoing job growth, and low unemployment, indications of softness may surface as the year progresses. While it's unlikely that consumer spending growth will stall, recent signals from prominent retailer's hint at emerging softness in discretionary spending, aligning with expectations of a slowdown in GDP growth this year, albeit remaining positive.

Market attention shifts to forthcoming inflation data: While the consumer price index (CPI) typically garners attention, the focus now pivots towards the Fed's preferred inflation gauge, the personal consumption expenditures (PCE), scheduled for release on Friday. With recent CPI readings surpassing expectations, markets eagerly await the PCE figures, which could influence future Fed decisions. Consensus forecasts anticipate a dip in core PCE (excluding food and energy) compared to the previous month. Currently, the Inflation Nowcasting for the PCE stands at 2.45% and Core PCE at 2.78%.

The Fed has attributed some earlier inflationary spikes to seasonal factors, underscoring the importance of confirming a return to a moderation trajectory. Both inflation and employment conditions are pivotal factors guiding future Fed rate adjustments. With the upcoming PCE report and next week's monthly payroll data, market participants brace for potential volatility, given any deviations from expectations, a rarity thus far in the year.

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 210,000, down from 212,000 last week, decreasing -0.94%.
- **U.S. Total Vehicle Sales** fell to 15.48 million, down from 16.57 million last month and decreasing 6.57%.
- **U.S. Pending Home Sales YoY:** fell by 8.83%, compared to 2.36% last month.
- **30-Year Mortgage Rate:** rose to 6.87%, compared to 6.74% last week.
- **Kansas City Fed Manufacturing Production Index:** rose 3.00, up from -17.00 last month.
- **Canada Real GDP MoM:** rose to 0.60%, compared to -0.13% last month.
- **Germany Unemployment Rate:** fell to 6.00%, compared to 6.10% last month.
- **Germany Real Retail Sales YoY:** rose to 1.70%, compared to -1.30% last month.
- **U.K. Balance of Trade:** is at -7.353 billion, down from -6.692 Billion last quarter.
- **U.K. Business Investment YoY:** rose to 2.84%, compared to 1.86% last quarter.

Eurozone Summary:

- **Stoxx 600** closed at 512.67, up 0.92 points or 0.18%.
- **FTSE 100** closed at 7,952.62, up 20.69 points or 0.26%.
- **Dax Index** closed at 18,492.49, up 15.40 points or 0.08%.

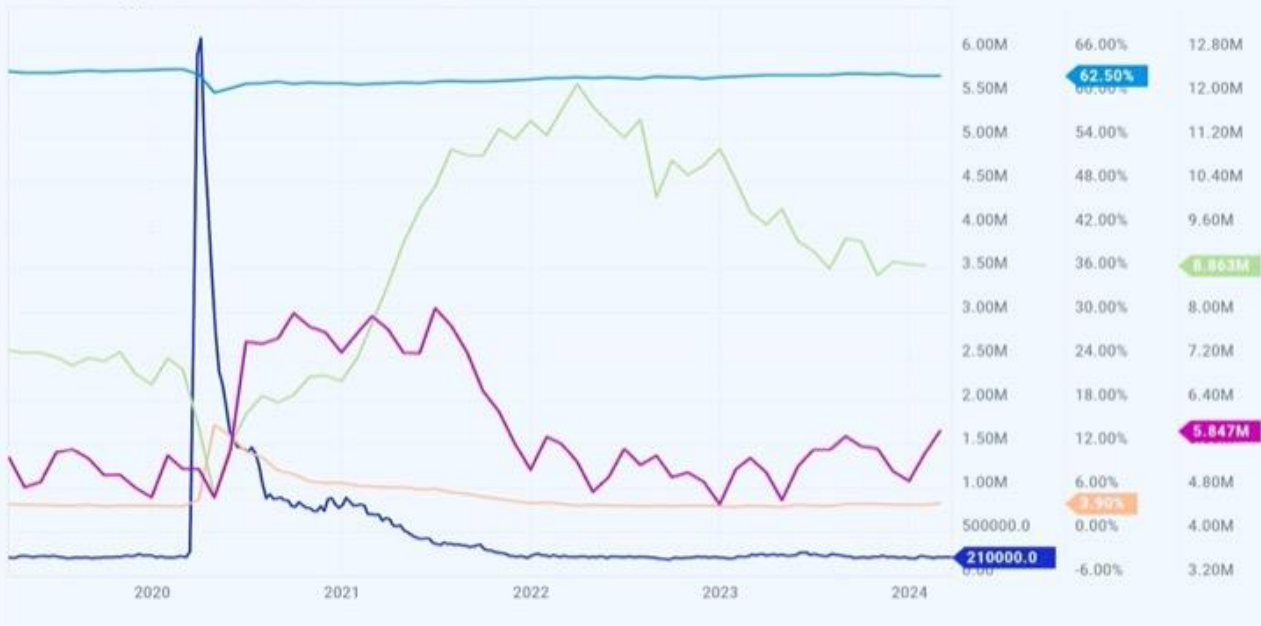
Wall Street Summary:

- **Dow Jones Industrial Average** closed at 39,807.37, up 47.29 points or 0.12%.
- **S&P 500** closed at 5,254.35, up 5.86 points or 0.11%.
- **Nasdaq Composite** closed at 16,379.46, down 20.06 points or 0.12%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,414.19, up 83.78 points or 2.52%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,953.56, up 96.73 points or 1.99%.
- **U.S. Treasury 10-year note** closed at 4.20%.
- **U.S. Treasury 2-year note** closed at 4.59%.

US Claims for Unemployment, US Job Openings, US Job Seekers, US Unemployment Rate and US Labor Force Participation Rate

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● US Initial Claims for Unemployment Insurance	210000.0
● US Unemployment Rate	3.90%
● US Labor Force Participation Rate	62.50%
● US Job Openings: Total Nonfarm	8.863M
● US Unemployed Persons: Job Seeker	5.847M



US Total Vehicle Sales, Kansa City Manufacturing Production Index, US Pending Home Sales and 30 Year Mortgage Rate

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- US Total Vehicle Sales
- Kansas City Fed Manufacturing Production Index
- US Pending Home Sales YoY
- 30 Year Mortgage Rate

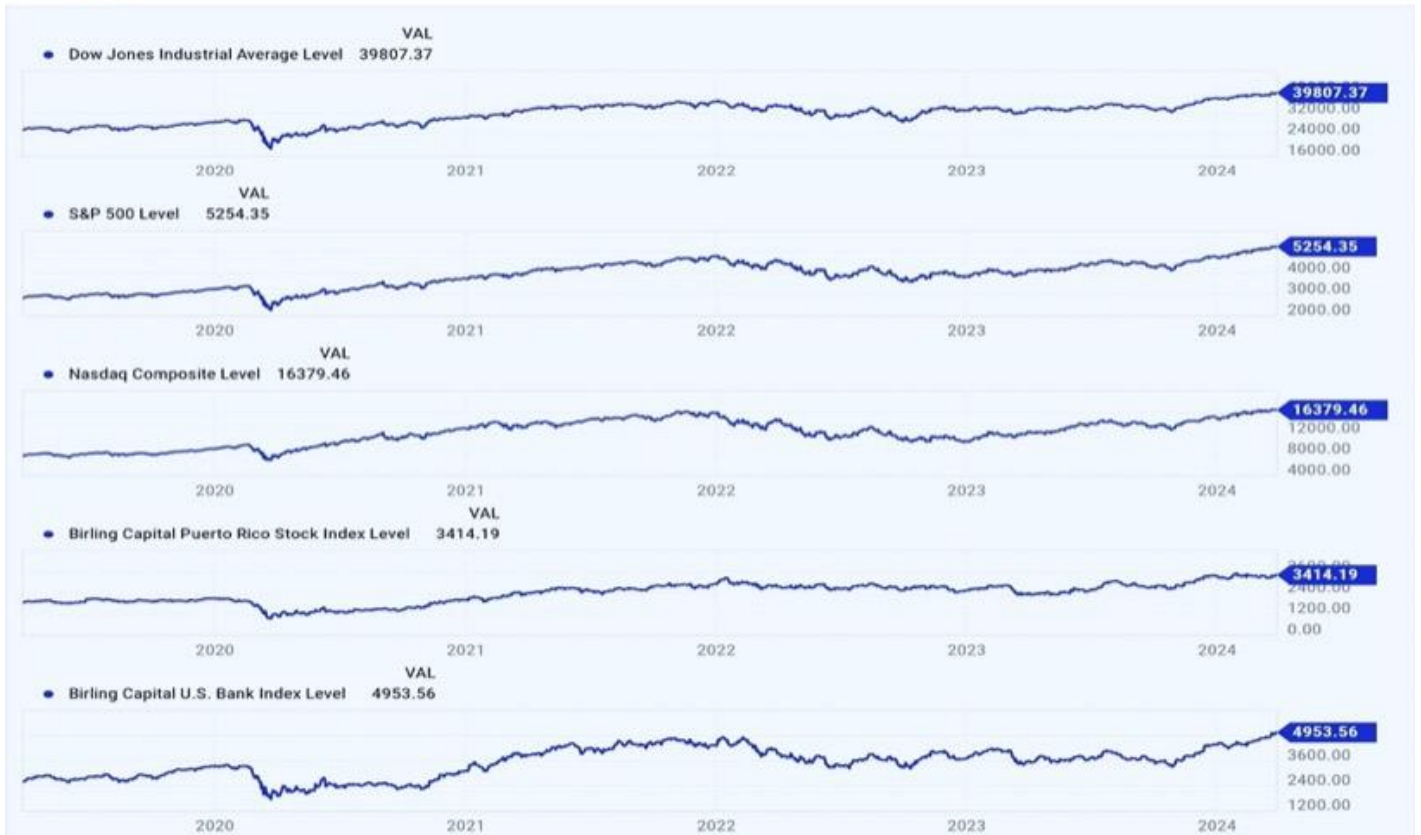
VAL
15.48M
3.00
-8.83%
6.87%





Wall Street Update

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