



## GLOBAL MARKET SQUARE



**The bank market turmoil continues; First Republic Bank fell another -32.01% and -80.88% YTD, and Wall Street closed with losses.**

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The U.S. & European stock markets continued today, facing rising pressure from the banking sector as investors remain concerned about possible additional bank failures even as the FDIC, the FED, and Treasury moved quickly in making available additional liquidity to backstop depositors in an attempt to limit the contagion.

Investors and bank clients remain on edge markets with increased scrutiny on small lenders with speculation over other banks that could be vulnerable. Evidence of this is the fact that First Republic Bank (FRC), even following \$30 billion in deposits from 11 of the U.S. most prominent banks, fell sharply today to close at \$23.30, down -\$10.97 or a whopping -32.01% for the year; the stock is down -80.88%.

The 2-year Treasury yield fell to 3.81%, down from 4.14%, and the 10-year Treasury yield fell to 3.39%, down from 3.56%, levels last reached in January.

The rising uncertainty and the changing situation with the banking sector will continue adding turmoil and angst to most investors, and nothing erodes Wall Street more than uncertainty.

Next week investor attention will be directed towards the Federal Reserve Bank FOMC which meets next week, and it has to decide whether it will continue its fight against inflation by increasing rates faster to 50 basis points or, if it reduces its pace to 25 basis points or if it pauses to avoid further complications, we forecast that the Fed will increase rates by 25 basis points while making all tools available to shore up the U.S. financial system.

### **Top U.S., PR, and Swiss Bank Stock Performance YTD:**

- Morgan Stanley (M.S.) has a -0.95% return.
- Citigroup (C) has a -2.19% return.
- UBS Group (UBS) has a -2.52% return.
- JP Morgan Chase (JPM) has a -6.20% return.
- OFG Bancorp (OFG) has a -7.29% return.
- Wells Fargo (WFS) has a -8.51% return.
- Goldman Sachs (G.S.) has a -11.69% return.
- First Bancorp. (FBP) has a -12.50% return.
- Bank of America (BAC) has a -15.85% return.
- Popular, Inc. (BPOP) has a -23.27% return.
- Credit Swiss (C.S.) has a -33.88% return.
- First Republic Bank (FRC) has a -80.88% return.

## Key Economic Data:

- **U.S. Index of Consumer Sentiment:** fell to 63.40, down from 67.00 last month, decreasing -5.37%.
- **U.S. Industrial Production MoM:** fell to 0.00%, compared to 0.27% last month.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** rose to 5.60%, compared to 5.30% last month.
- **Eurozone Unemployment Rate:** is unchanged at 6.70%, compared to 6.70% last month.

## Puerto Rico COVID-19 Update March 17:

- Daily Cases: 51
- Positivity Rate: 10.73%
- Hospitalizations: 97
- Deaths: 1
- Source P R. Department of Health.

## Eurozone Summary for March 17:

- Stoxx 600 closed at 436.09, down 5.55 points or 1.26%.
- FTSE 100 closed at 7,335.40, down 74.63 points or 1.01%.
- Dax Index closed at 14,678.20, down 198.90 points or 1.33%.

## Wall Street Summary for March 17:

- Dow Jones Industrial Average closed at 31,861.98, down 384.57 or 1.19%.
- S&P 500 closed at 3,916.64, down 43.64 points or 1.10%.
- Nasdaq Composite closed at 11,630.51, down 86.76 points or 2.48%.
- Birling Capital Puerto Rico Stock index closed at 2,377.29, up 51.57 points or 2.22%.
- U.S. Treasury 10-year note closed at 3.39%.
- U.S. Treasury 2-year note closed at 3.81%.

## Top US, PR & Swiss Bank Stock Performance YTD 3/17/23

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- Morgan Stanley Price % Change
- Citigroup Inc Price % Change
- UBS Group AG Price % Change
- JPMorgan Chase & Co Price % Change
- OFG Bancorp Price % Change
- Wells Fargo & Co Price % Change
- The Goldman Sachs Group Inc Price % Change
- First BanCorp Price % Change
- Bank of America Corp Price % Change
- Popular Inc Price % Change
- Credit Suisse Group AG Price % Change
- First Republic Bank Price % Change



## US Index of Consumer Sentiment, US Industrial Production, Eurozone Inflation Rate & Eurozone Unemployment Rate

- US Index of Consumer Sentiment (I:USCS)
- US Industrial Production MoM (I:USCIP)
- Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco (I:EIRFEFNM)
- Eurozone Unemployment Rate (I:EURSM)





## Wall Street Recap March 17, 2023

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