

GLOBAL MARKET SQUARE



In the U.S. and E.U., inflation metrics fell more than expected; the US PCE fell to 5%; Eurozone inflation fell to 6.90%; and Wall Street rallied.

March 31, 2023

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the week with another rally that has placed the S&P 500 in the black with a 7% gain, following improved investor sentiment with the banking sector as the crisis of confidence fears continued to wane; additionally, there was a plethora of macroeconomic data somewhat positive that supported the markets today.

The Fed's preferred inflation benchmark, the Personal Consumption Expenditures fell to 5.00%, decreasing 6.54%, and the Core PCE fell to 4.60%; the better-than-anticipated inflation data gave the markets some additional lift and also took bond yields lower as a result. The broader market appears to be finding solid ground with the expectation that the Fed is much closer to the end of its tightening cycle.

Finally, the crisis of confidence in the banking sector is diminishing, with investors less anxious about more bank closures; moreover, the revelation that the Fed has labeled Silicon Valley Bank as "a textbook case of mismanagement"; has made investors regain composure and providing the sector much-needed breathing room.

In the **Eurozone**, **Inflation** fell a whopping 18.82% to 6.90%, from 8.50% last month, providing the region with welcomed news that took the market higher.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated on 3/31/23, falling to 2.50% GDP from 3.20% GDP.

Key Economic Data:

- **U.S. PCE Price Index YoY:** fell to 5.00%, compared to 5.35% last month.
- **U.S. Core PCE Price Index YoY:** fell to 4.60%, compared to 4.67% last month.
- **U.S. Index of Consumer Sentiment:** fell to 62.00, down from 67.00 last month, decreasing -7.46%.
- **U.S. Personal Income MoM:** fell to 0.32%, compared to 0.55% last month.
- **U.S. Personal Spending MoM:** fell to 0.15%, compared to 2.03% last month.
- **Eurozone Inflation Rate:** fell to 6.90%, compared to 8.50% last month, decreasing 18.82%.
- **Eurozone Unemployment Rate:** is unchanged at 6.60%, compared to 6.60% last month.
- **German Real Retail Sales YoY:** fell to -7.00%, compared to -4.00% last month.
- **German Unemployment Rate:** is unchanged at 5.70%, compared to 5.70% last month.
- **U.K. Real GDP YoY:** fell to 0.60%, compared to 2.00% last quarter.
- **U.K. Business Investment YoY:** rose to 10.82%, compared to 8.00% last quarter.
- **Japan Housing Starts YoY:** fell to -0.29%, compared to 6.56% last month.
- **Japan Unemployment Rate:** rose to 2.60%, compared to 2.40% last month.

Puerto Rico COVID-19 Update March 31:

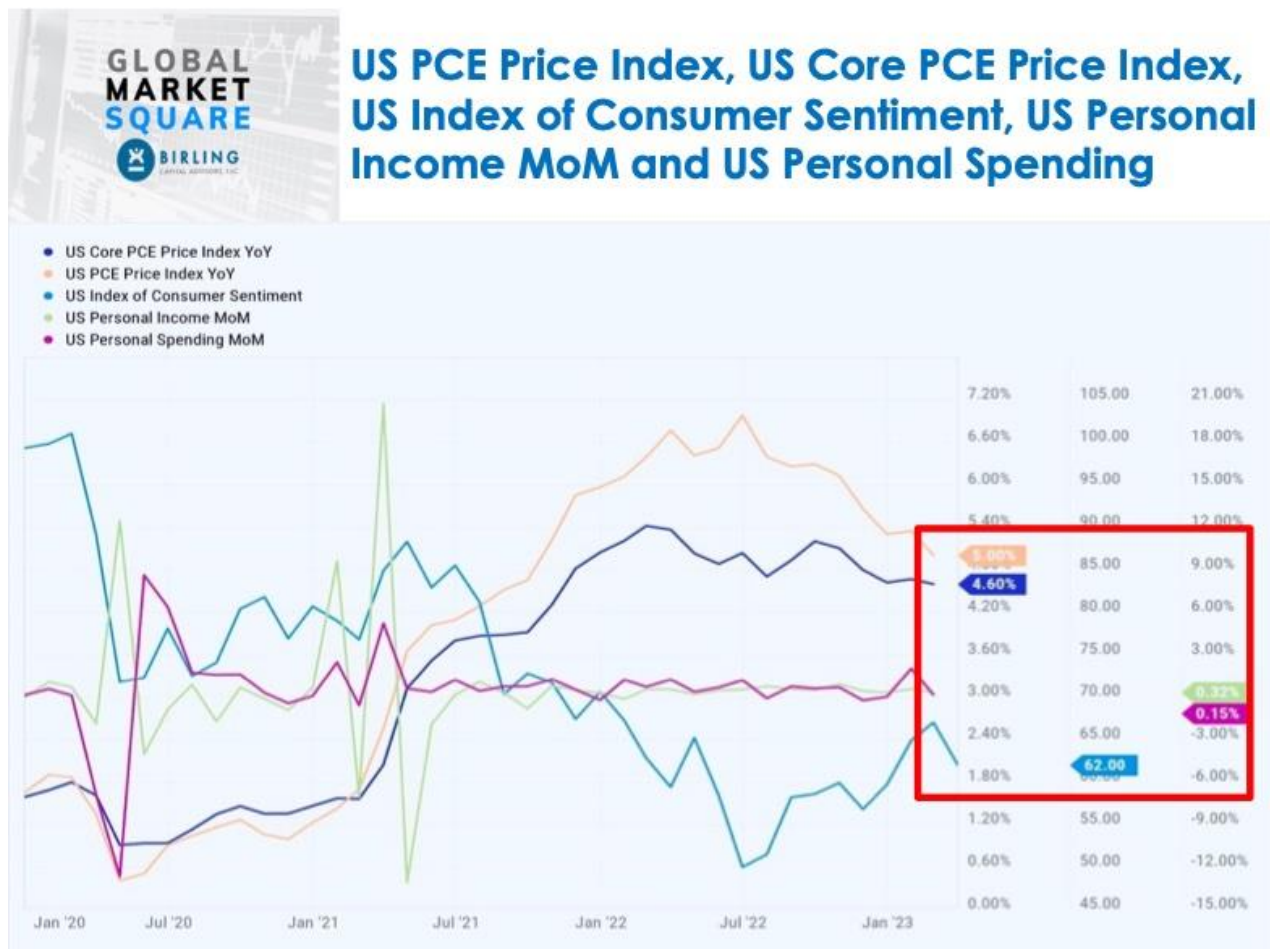
- Daily Cases: 54
- Positivity Rate: 10.50%
- Hospitalizations: 78
- Deaths: 1
- Source P R. Department of Health.

Eurozone Summary for March 31:

- Stoxx 600 closed at 457.84, up 3.00 points or 0.66%.
- FTSE 100 closed at 7,631.74, up 11.91 points or 0.15%.
- Dax Index closed at 15,628.84, up 106.44 points or 0.69%.

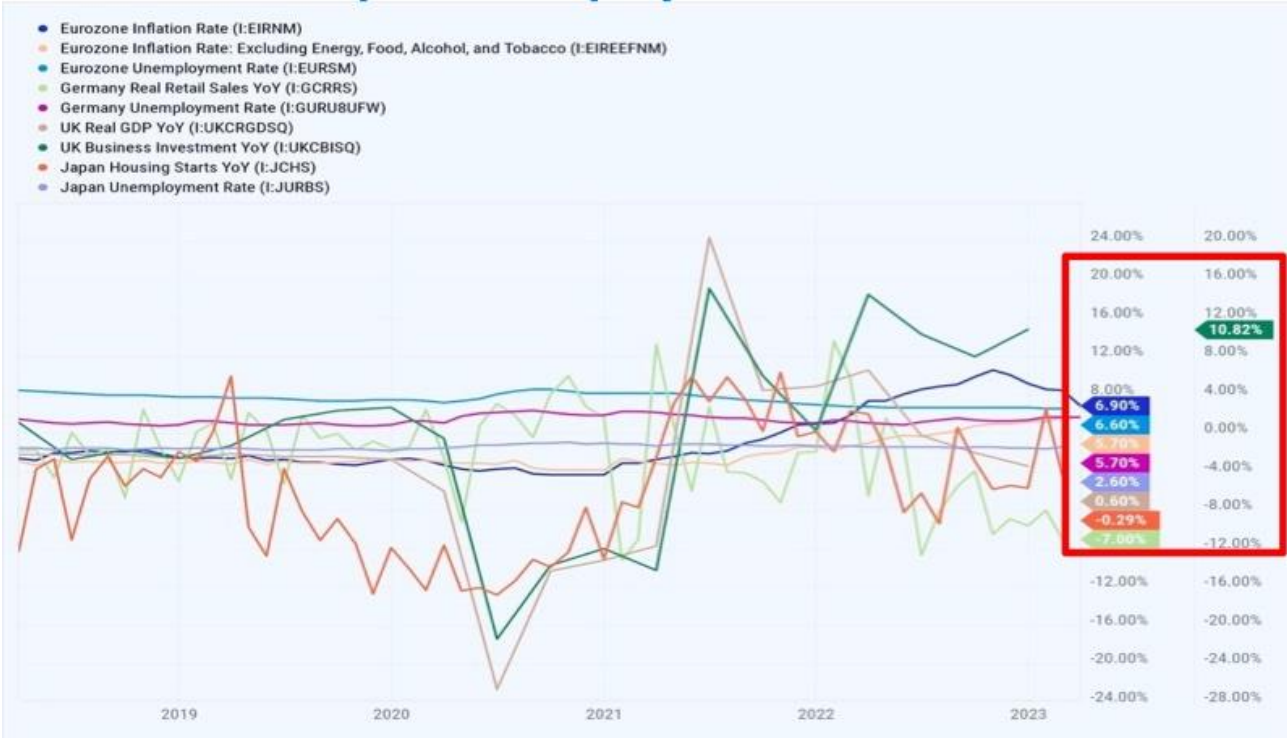
Wall Street Summary for March 31:

- Dow Jones Industrial Average closed at 33,274.15, up 415.12 or 1.26%.
- S&P 500 closed at 4,109.31, up 59.48 points or 1.44%.
- Nasdaq Composite closed at 12,221.91, up 208.44 points or 1.74%.
- Birling Capital Puerto Rico Stock index closed at 2,3280.52, down 41.27 points or 1.78%.
- Birling Capital U.S. Bank Stock Index closed at 3,522.31, down 16.09 points or 0.45%.
- U.S. Treasury 10-year note closed at 3.48%.
- U.S. Treasury 2-year note closed at 4.06%.





EU Inflation Rate, Germany Retail Sales, Germany Unemployment Rate, UK GDP, UK Business Investment, Japan Housing Starts, Japan Unemployment Rate





Wall Street Recap

March 31, 2023

www.birlingcapital.com



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.