

GLOBAL MARKET SQUARE



Claims for Unemployment surprisingly increased a whopping 11.05%, investors on a holding pattern, and Wall Street closed down.

March 9, 2023

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The U. S. and European stock markets took a hiatus from the stock rotation and closed with mixed results. We see investors on a holding pattern as tomorrow's payroll data is announced, and with the surprise 11.05% increase in unemployment claims, the scenario could get complicated. The other key metric the market is anxious to examine is the Consumer Price Index data is due to report on March 14.

While some investors claim that the current stock rotation and the market downturn were caused by an alleged change in the "Narrative" from the Fed, we disagree entirely with this assessment as Fed FOMC members at every speech and every press intervention have stated clearly that the fight to tame inflation is their main focus and with the CPI at 6.41% or 220.5% above the Fed's 2% target, the assumption that the Fed would pause was just wishful thinking.

The Fed has raised rates eight times, with the latest one a 25 basis points increase in a departure from the 50 to 75 basis points increases it had been doing, and the Fed will return the 50-75 basis points rate increases.

In the Bond markets, the yields fell slightly, with the 2-year rate at 4.90% and the 10-year rate at 3.93% with an inverted yield curve.

In Europe, the markets are reacting to the Eurozone Inflation Rate that rose to 5.60%, higher than the 5.30% last month; meanwhile, Asian markets are absorbing the Chinese Government's goal of 5% GDP growth for 2023, which appears hard to achieve as the most recent data released from China is evidencing their economic reopening is not going as fast and smooth as the Government had envisioned.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated today, 3/8/23, showing an increase to 2.60% GDP, up from 2.00% GDP on 3/7/23.

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** rose to **211,000**, up from 190,000 last week, increasing 11.05%.
- **30-Year Mortgage Rate:** rose to 6.65%, compared to 6.50% last week.

- **Eurozone Inflation Rate:** Excluding Energy, Food, Alcohol, and Tobacco: rose to 5.60%, compared to 5.30% last month.

Puerto Rico COVID-19 Update March 9:

- Daily Cases: 55
- Positivity Rate: 10.43%
- Hospitalizations: 91
- Deaths: 3
- Source P.R. Department of Health.

Eurozone Summary for March 9:

- Stoxx 600 closed at 460.13, down 0.86 points or 0.19%.
- FTSE 100 closed at 7,879.98, down 49.94 points or 0.63%.
- Dax Index closed at 15,633.21, up 1.34 points or 0.01%.

Wall Street Summary for March 9:

- Dow Jones Industrial Average closed at 32,254.86, down 543.54 or 1.66%.
- S&P 500 closed at 3,918.32, down 73.69 points or 1.85%.
- Nasdaq Composite closed at 11,338.35, down 237.65 points or 0.85%.
- Birling Capital Puerto Rico Stock index closed at 2,653.92, down 22.64 points or 0.85%.
- U.S. Treasury 10-year note closed at 3.93%.
- U.S. Treasury 2-year note closed at 4.90%.



GDPNow 3.8.23

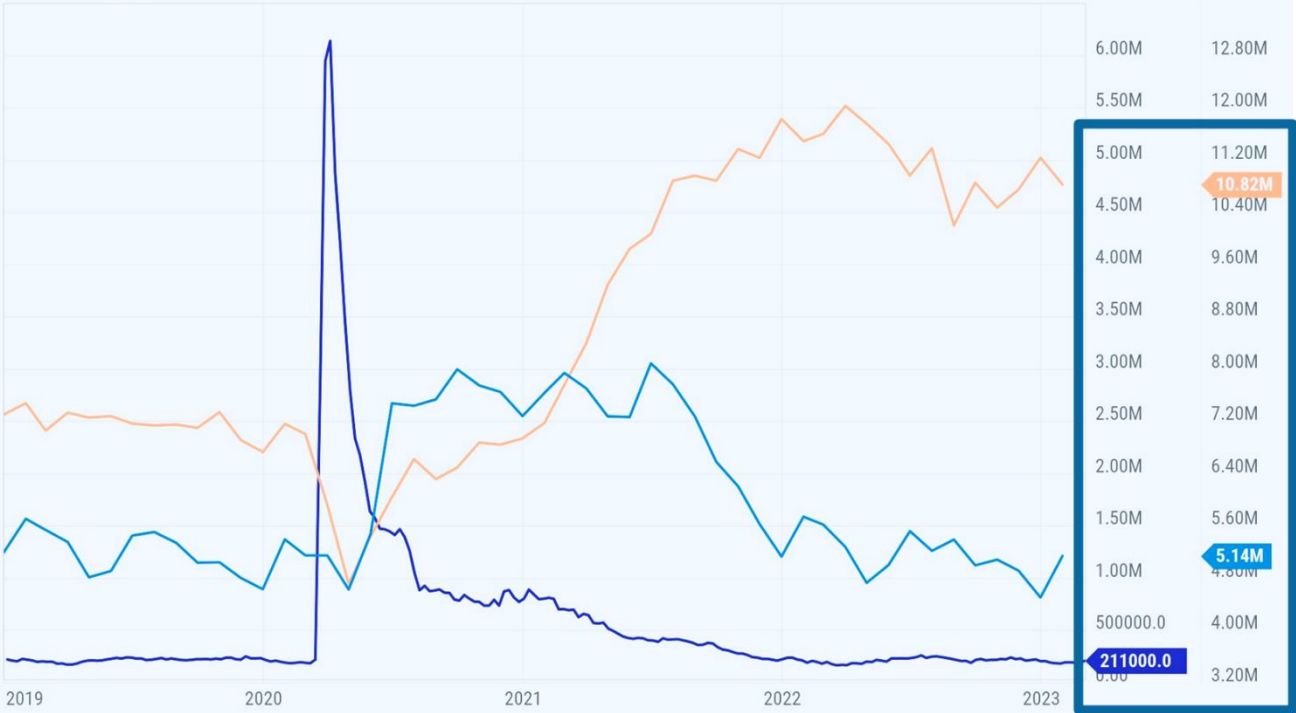
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Date	GDPNow 1Q23	Change
1/27/2023	0.70%	Initial Forecast
2/1/2023	2.10%	66.67%
2/8/2023	2.20%	4.55%
2/15/2023	2.40%	8.33%
2/16/2023	2.50%	4.00%
2/24/2023	2.70%	7.41%
2/27/2023	2.80%	3.57%
3/1/2023	2.30%	-21.74%
3/7/2023	2.00%	-15.00%
3/8/2023	2.60%	23.08%



US Claims for Unemployment rise to 210,000, a whopping 11.05%.

- US Initial Claims for Unemployment Insurance
- US Job Openings: Total Nonfarm
- US Unemployed Persons: Job Seeker





Wall Street Recap

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