

GLOBAL MARKET SQUARE



The Producer Price Index falls less than expected to 11.04%, recording the first decrease in 16 months, the Dow Jones records its sixth consecutive day of losses, and Wall Street closes mixed.

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The U.S. & European stock markets closed mostly down except for the Nasdaq, which closed with a thin gain as the stock rotation engulfing the markets is forcing a massive sell-off without any indication of ending. Today the much-awaited U.S. Producer Price Index reported falling for the first time in 16 months to 11.04%, from 11.53%, a decrease of 4.24%. Similar to yesterday's Consumer Price Index, which also fell to 8.26%, a 3.27% decrease, investors wanted much larger inflation reduction readings.

From my vantage point, I see emotional selling and most not based on market fundamentals or logic; investors will lose copious amounts of money once that happens. Many public companies have reported earnings that beat expectations, so we do not see an environment to promote so much volatility induced by a sell-off.

Additionally, the rising interest rate environment should not be a problem as most companies will easily absorb 6 or 7 rate increases without much fanfare.

Key economic data:

- U.S. Producer Price Index YoY: fell to 11.04%, compared to 11.53% last month, a decrease of 4.24%, the first decrease in 16 months.
- U.S. Initial Claims for Unemployment Insurance: rose to 203,000, up from 202,000 last, increasing 0.50%.
- 30 Year Mortgage Rate: rose to 5.27%, compared to 5.10% last week.
- U.K. Industrial Production Index YoY is at 0.70%, compared to 2.10% last month.

Puerto Rico COVID-19 Update May 12:

- Daily Cases: 1,121, down 0.79%.
- Positivity Rate: 26.65%, up 1.01%.
- Hospitalizations: 326, up 6.44%.
- Deaths: 5, down 16.66%.
- Vaccination Rate: 87.2%
- Source Puerto Rico Department of Health.

Eurozone Summary for May 12:

- Stoxx 600 closed at 424.40, down 3.19 points or 0.75%.
- FTSE 100 closed at 7,233.34, down 114.32 points or 1.56%.
- Dax Index closed at 13,739.64, down 89.00 points or 0.64%.

Wall Street Summary for May 12:

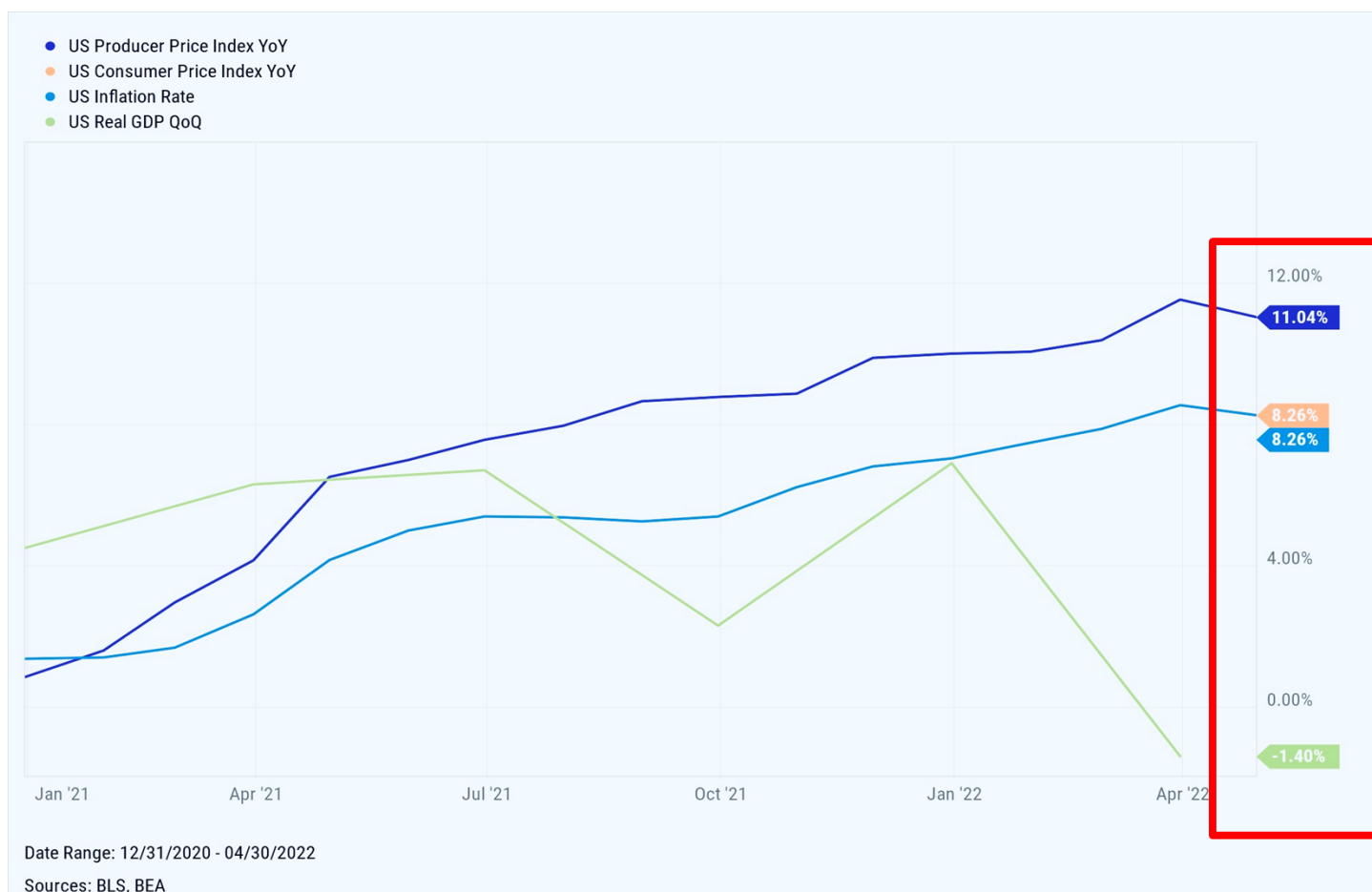
- Dow Jones Industrial Average closed at 31,730.30, down 103.81 points or 0.33%.
- S&P 500 closed at 3,930.08, down 5.10 points or 0.13%.
- Nasdaq Composite closed at 11,370.96, up 6.73 points or 0.06%.
- Birling Capital Puerto Rico Stock index closed at 2,640.69, down 16.84 points or 0.63%.
- The U.S. Treasury 10-year note closed at 2.84%.
- The U.S. Treasury 2-year note closed at 2.56%.



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U.S. Producer Price Index, U.S. Consumer Price Index, U.S. Inflation Vs. US Real GDP QoQ



Unemployment Data

5.12.22



The federal Labor Department reported on May 12 that jobless claims rose 203,000 last week versus 202,000 a 0.50% increase.

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





• Dow Jones Industrial Average Level



• S&P 500 Level



• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



YTD Returns



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