



GLOBAL MARKET SQUARE



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The Dow Jones Industrial Average lost 1,063 points, the S&P 500 lost 3.56%, and Nasdaq Composite fell 4.99%, recording Wall Street's worst 180-degree turns in memory.

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The U.S. & European stock markets delivered one of the worst sessions of the year and obliterated the nascent rally from yesterday. The sharp 180-degree turn is quite remarkable; you usually will see the markets rise 3%, and the next session, it may give up 1/2%, but to see such a drastic reversal of fortunes is out of place meanwhile the Wall Street losses YTD have risen dramatically.

As the Federal Reserve Bank increased rates by 50 basis points, the highest rise since the year 2,000, in its fight to bring inflation down and Fed Chair Powell sent the most prominent signal so far that the bank will raise rates by the same 50 basis points in its next two meetings. In my view, the Fed does not have a plan to bring inflation from its current levels.

The concern is that the Fed may severely affect the U.S. economy.

How should investors react?

With all the economic and geopolitical challenges surrounding the markets, we advise investors to continue to plan for highly volatile markets for the remainder of 2022. The challenges include continued slowing economic growth and a fast-paced rising interest rate cycle. Nevertheless, the U.S. continues to show a robust and resilient demand, strong business financial positions, and a healthier deleveraged U.S. consumer, in my view, will keep the market expansion going.

Stick to your long-term goals, stay the course and rebalance some of your holdings while looking for opportunistic investments.

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Key economic data:

- U.S. Initial Claims for Unemployment Insurance: rose to 200,000, up from 181,000 last week, an increase of 10.50%.
- U.S. Productivity is at -7.50%, compared to 6.30% last quarter and 2.20% last year.
- U.S. Unit Labor Costs: Nonfarm Business QoQ: rose to 11.60%, compared to 1.00% last quarter.
- 30 Year Mortgage Rate: fell slightly to 5.10%, compared to 5.11% last week.

Puerto Rico COVID-19 Update:

- Daily Cases: 1,004, up 1.49%.
- Positivity Rate: 24.93%, up 1.08%.
- Hospitalizations: 6, up 66.66%.
- Deaths: 6, up 66.66%.
- Vaccination Rate: 87.1%
- Source Puerto Rico Department of Health.

Eurozone Summary for May 5:

- Stoxx 600 closed at 438.11, down 3.26 points or 0.74%.
- FTSE 100 closed at 7,502.27, up 24.66 points or 0.13%.
- Dax Index closed at 13,90.52, down 68.30 points or 0.49%.

Wall Street Summary for May 5:

- Dow Jones Industrial Average closed at 32,997.97, down 1,063 points or 3.12%.
- S&P 500 closed at 4,146.87, down 153.30 points or 3.56%.
- Nasdaq Composite closed at 12,317.69, down 647.16 points or 4.99%.
- Birling Capital Puerto Rico Stock index closed at 2,836.25, up 57.63 points or 2.07%.
- The U.S. Treasury 10-year note closed at 3.05%.
- The U.S. Treasury 2-year note closed at 2.71%.



Interest Rate Hikes



- Target Federal Funds Rate Upper Limit
- Target Federal Funds Rate Lower Limit
- Effective Federal Funds Rate





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Unemployment Data

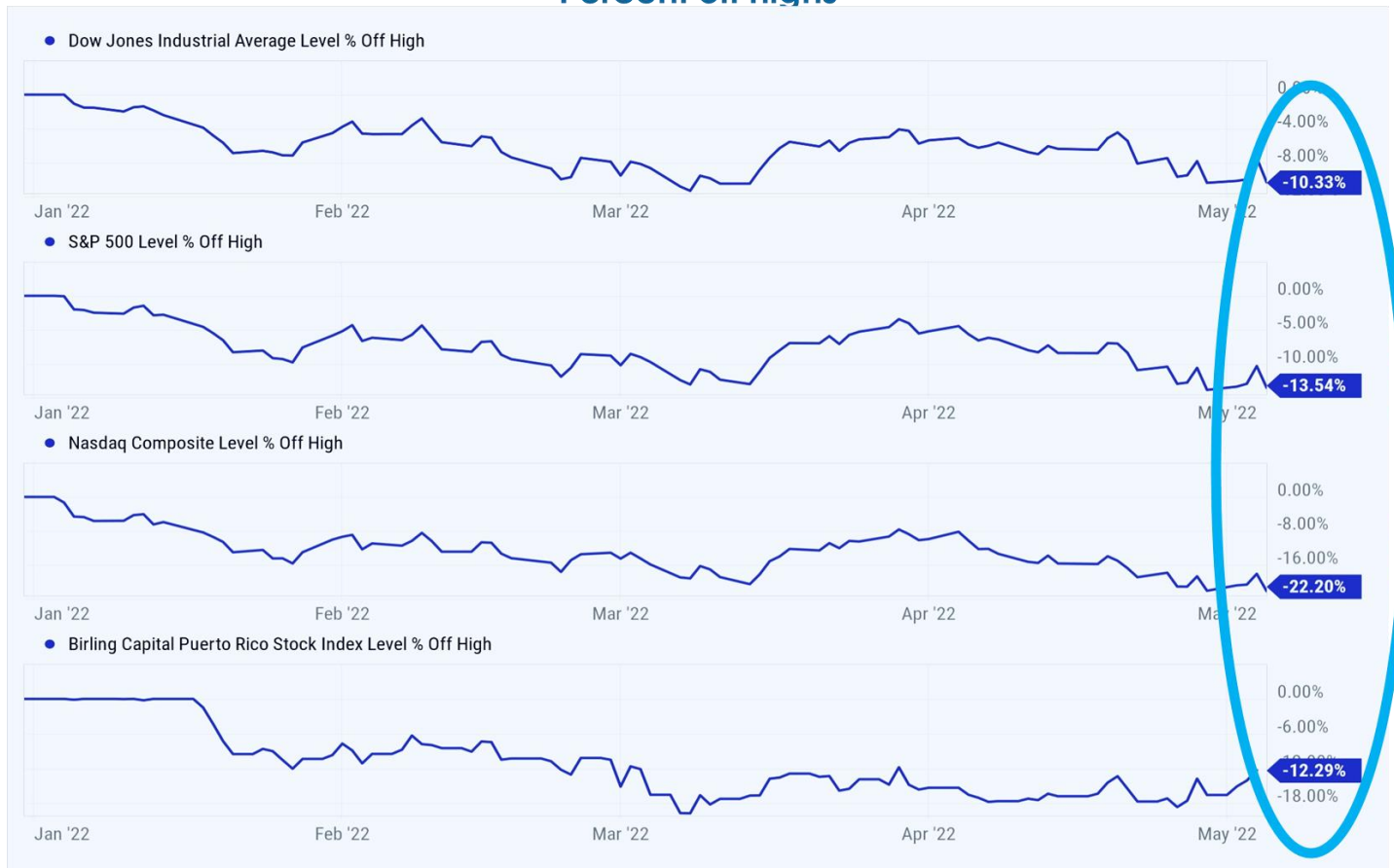
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The federal Labor Department reported on May 5 that jobless claims rose 200,000 last week versus 181,000 a 10.50% increase.







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