

GLOBAL MARKET SQUARE



**Global Growth fears drive markets down
as China reports exports falling 73.63%,
Nasdaq falling 4.29%, S&P falling 3.20%,
and Dow Jones 1.99%.**

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The U.S. & European stock markets began the week with more losses as the market sell-off continued in full force. Most markets globally were overtaken by renewed concerns over slowing economic growth, further enhanced by the global central bank's changes in monetary policy. Already there are signs of slower growth, specifically from China, with exports growth falling a whopping 73.63% and coming in at 3.68%, its lowest level in two years.

What is ahead for the rest of the week?

- Inflation continues to impact the markets. This week, in the Consumer Price Index report from April, the consensus estimates will slightly decrease from March's 8.50% number. If it does come below, it will be the strongest signal, yet that inflation has peaked.
- As the Federal Reserve Bank implemented the first of at least four 50 basis points increases, the rate increases became a crucial part of the market dynamics. The 10-year U.S. Treasury could very well point the direction of Wall Street.
- As the Fed ruled out a faster-paced interest rate increase of 75 basis points or more, it provided vital market guidance.
- Strong corporate earnings remain an integral part of the broader market outlook; however, we must look at how incremental costs affect most companies.
- The city of Shanghai in China remains under strict lockdown because of COVID, and forty-five Chinese cities have lockdown measures in place as the country struggles to contain the highly infectious omicron variant. The port of Shanghai, which ships 3.75 million containers per month, some 45 million containers per year, is in lockdown with containers stacking up at the port—adding to the global supply chain disruptions.

Key economic data:

- U.S. Wholesale Inventories MoM: fell to 2.34%, compared to 2.82% last month and higher than the long-term average of 0.42%.
- U.S. Retail Gas Price: rose to \$4.285, up from \$4.211, increasing 1.76%.
- Canada Building Permits MoM: fell to -9.32%, compared to 24.57% last month.
- China Exports YoY: fell to 3.68%, compared to 14.49% last month.
- China Imports YoY: rose to 0.65%, compared to 0.60% last month.
- China Trade Balance: rose to 51.12 billion, up from 47.38 billion last month, increasing 7.89%

Puerto Rico COVID-19 Update May 9:

- Daily Cases: 1,238, up 14.53%.
- Positivity Rate: 25.90%, up 1.89%.

- Hospitalizations: 266, down 4.65%.
- Deaths: 0
- Vaccination Rate: 87.2%
- Source Puerto Rico Department of Health.

Eurozone Summary for May 9:

- Stoxx 600 closed at 418.03, down 18.88 points or 2.76%.
- FTSE 100 closed at 7,216.58, down 171.36 points or 2.32%.
- Dax Index closed at 13,380.67 down 293.62 points or 2.18%.

Wall Street Summary for May 9:

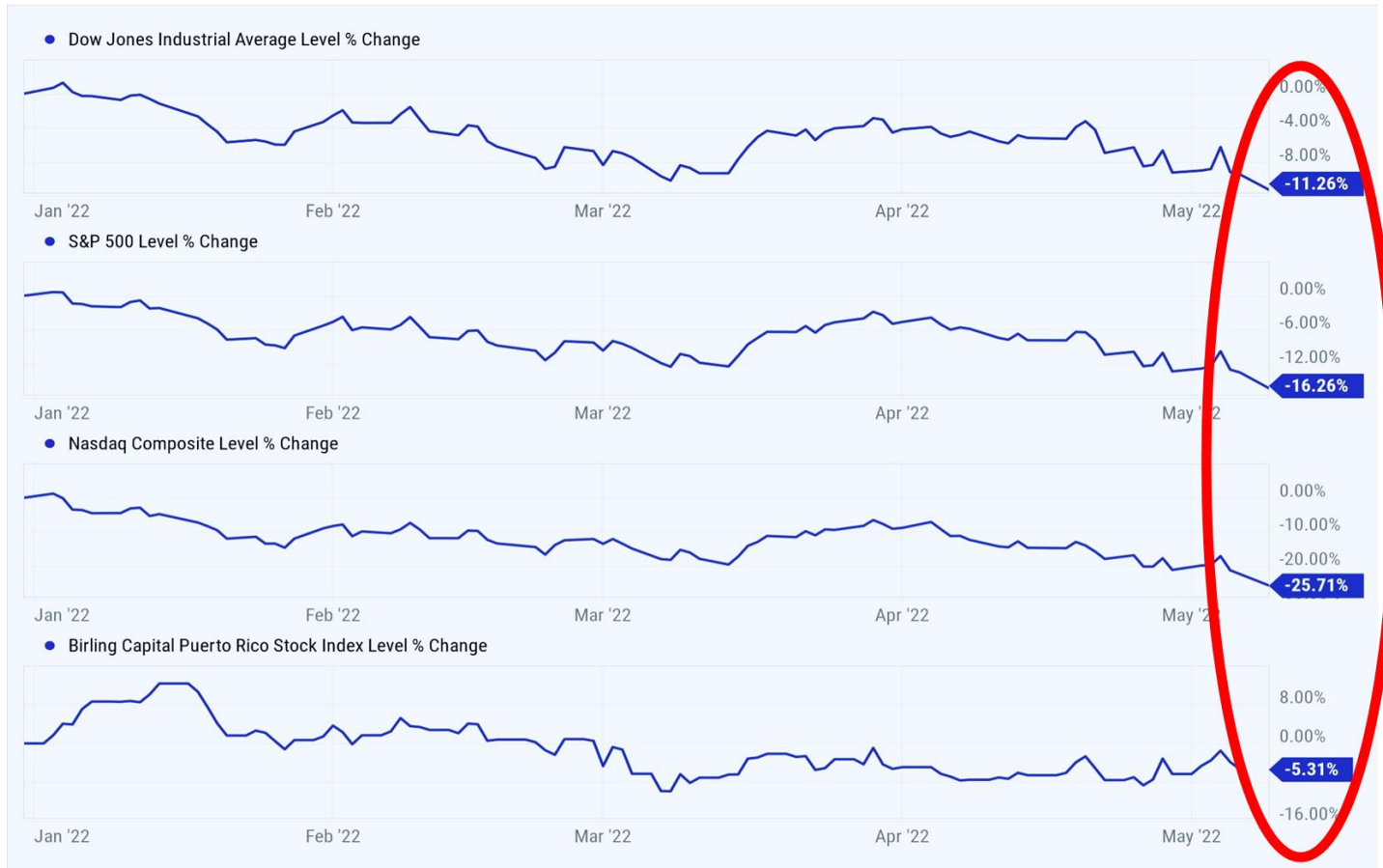
- Dow Jones Industrial Average closed at 32,245.70, down 653.57 points or 1.99%.
- S&P 500 closed at 3,199.24, down 132.10 points or 3.20%.
- Nasdaq Composite closed at 11,623.25, down 521.41 points or 4.29%.
- Birling Capital Puerto Rico Stock index closed at 2,726.23, down 43.06 points or 1.56%.
- The U.S. Treasury 10-year note closed at 3.05%.
- The U.S. Treasury 2-year note closed at 2.61%.



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Wall Street May 9, 2022





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