



## The labor market is in focus as investors await Jobs' report, Apple announces a \$110 billion stock buyback, and Wall Street rises.

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The U.S. and European stock markets closed the session with mixed results; on Wall Street, equities rose sharply today following the Fed's latest Federal Open Market Committee meeting. As often happens after these meetings, markets react downwards or upwards and stabilize, particularly after the turbulent session. Investors are cautiously optimistic, interpreting the statement by Fed Chairman Powell that said, **"I think it's unlikely that the next policy rate move will be a hike, and I'd say it's unlikely"** as a signal that further tightening should not occur in response to recent inflation data. This statement, which suggests a potential pause in the Fed's rate hike cycle, is seen as a positive for the markets as it could support continued economic growth.

The focus now shifts to the labor market, with all eyes on Friday's employment report. The labor market, a significant driver of consumer spending and corporate earnings, often directly impacts the stock market. Despite rising rates, the stock market has weathered the adjustment relatively well, buoyed by the economy's ongoing strength. Expectations for the report include around 230,000 new jobs, with particular interest in wage growth trends as an indicator of consumer spending resilience and inflationary pressures. A strong employment report could boost investor confidence and potentially lead to further gains in the stock market.

Amidst these dynamics, unemployment claims were unchanged at 208,000; the U.S. productivity report reveals a modest uptick of 0.3% in nonfarm productivity, reflecting the hourly output per worker for the first quarter. It is 91.42% less than last quarter, when it rose to 3.50%. While this figure denotes some growth, it also signals a concerning trend of subdued productivity gains. Such sluggishness may pose a hurdle for the Federal Reserve's battle against inflation.

After the market closed, Apple reported its 2Q24 earnings. In a bold strategic maneuver, it unveiled plans for its largest-ever share buyback program, totaling a staggering **\$110 billion**. This move, which involves the company repurchasing its shares from the market, is often seen as a sign that the company believes its Stock is undervalued. The announcement comes as the company navigates a slight downturn in iPhone sales, marking a 10% decline in the performance of its flagship product. By reducing the number of shares in circulation, the buyback could boost the company's earnings per share and support the stock price.

Tim Cook, Apple's CEO, articulated the rationale behind the move, emphasizing the strategic nature of the company's commitment to delivering value to shareholders while strategically allocating capital for sustained growth, instilling a sense of security about the company's future.

## Corporate Earnings Parade:

- **Apple Inc (AAPL)** reported 2Q24 revenues of \$90.753 billion, down 4.30%, but above estimates, and Net Income of \$23.636 billion, down 2.16%. Apple reached earnings per share of \$1.53 with a price objective of \$198.97. The Stock Closed at \$173.03, rising \$3.73 or 2.20%. iPhone revenue fell 10.46% to \$45.96 billion, Mac revenue rose 3.98% to \$7.5 billion, iPad revenue declined 9.63% to \$5.6 billion, and Services revenue rose 14.75% to \$23.9 billion.

## Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** is unchanged at 208,000, from 208,000 last week.
- **U.S. Productivity:** fell to 0.30%, compared to 3.50% last quarter, decreasing -91.42%.
- **U.S. Durable Goods New Orders MoM** rose by 2.63%, compared to 0.66% last month, and increased by 298.41%.
- **30-Year Mortgage Rate:** rose to 7.22%, compared to 7.17% last week.

## Eurozone Summary:

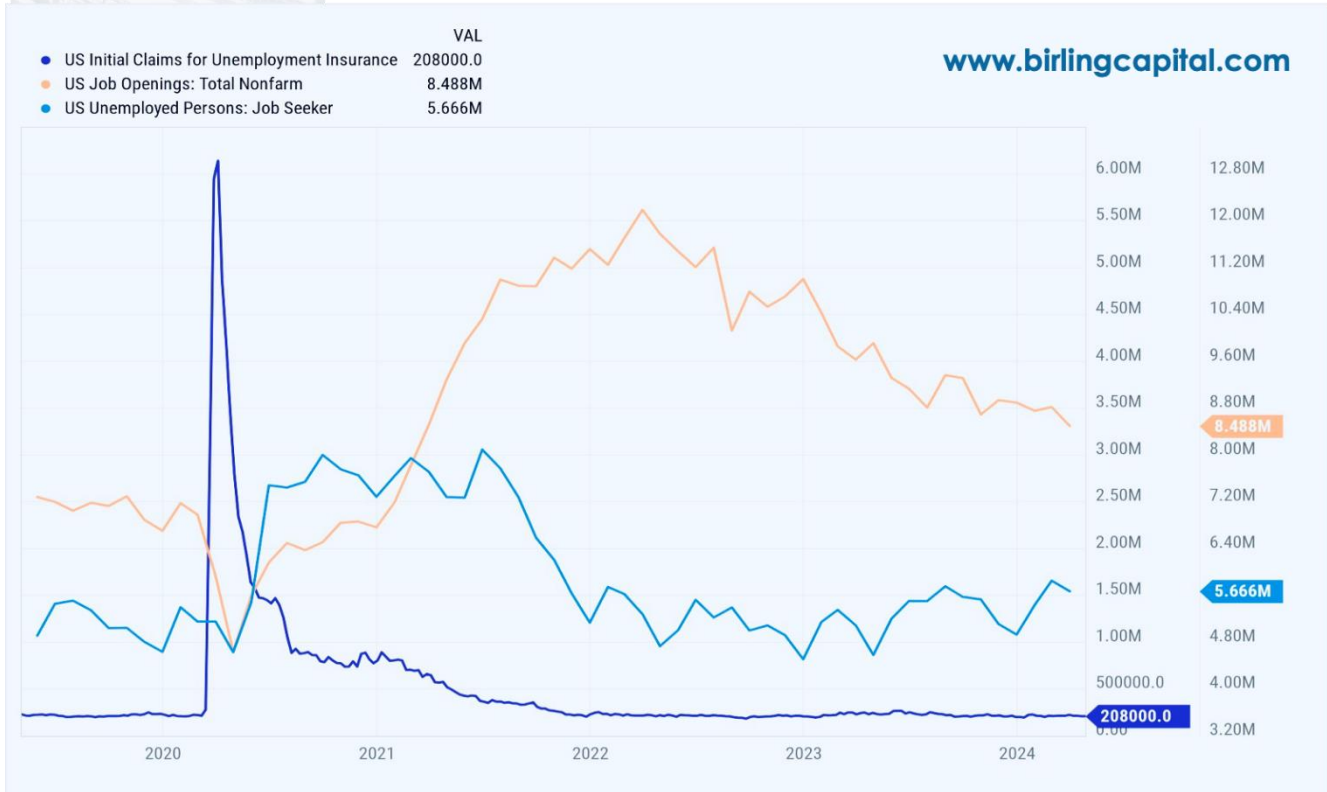
- **Stoxx 600:** closed at 503.21, down 1.10 points or 0.22%.
- **FTSE 100:** closed at 8,172.15, up 50.91 points or 0.63%.
- **Dax Index:** closed at 17,896.50, down 35.67 points or 0.20%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,225.66, up 322.37 points or 0.85%.
- **S&P 500** closed at 5,064.20, up 45.81 points or 0.91%.
- **Nasdaq Composite** closed at 15,840.96, up 235.48 points or 1.51%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,392.63, up 56.75 points or 1.70%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,930.10, up 9.00 points or 0.18%.
- **U.S. Treasury 10-year note** closed at 4.58%.
- **U.S. Treasury 2-year note** closed at 4.87%.

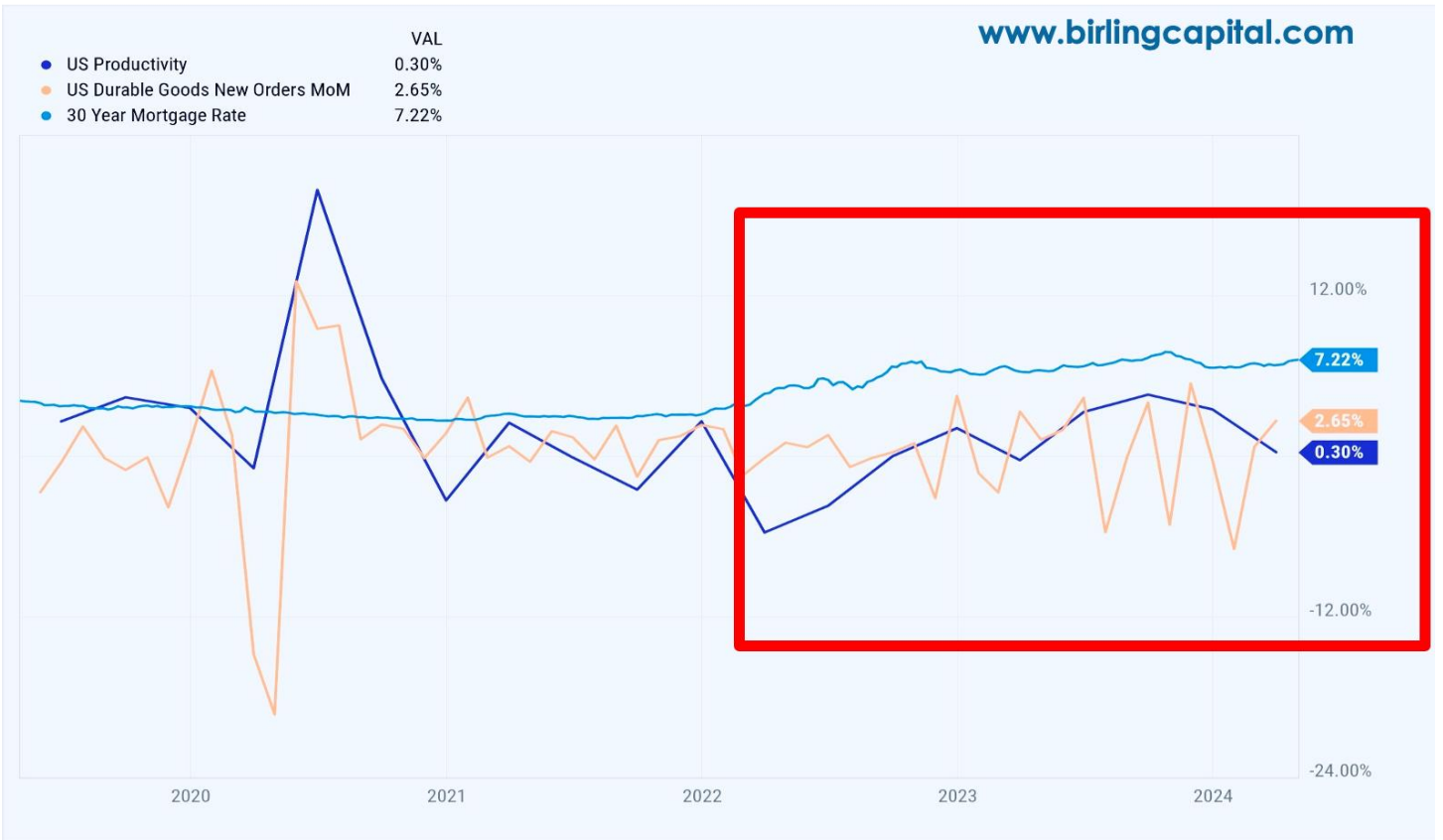


# US Claims for Unemployment, US Job Openings & US Job Seekers,





# US Productivity, US Durable Goods and 30-Year Mortgage Rate

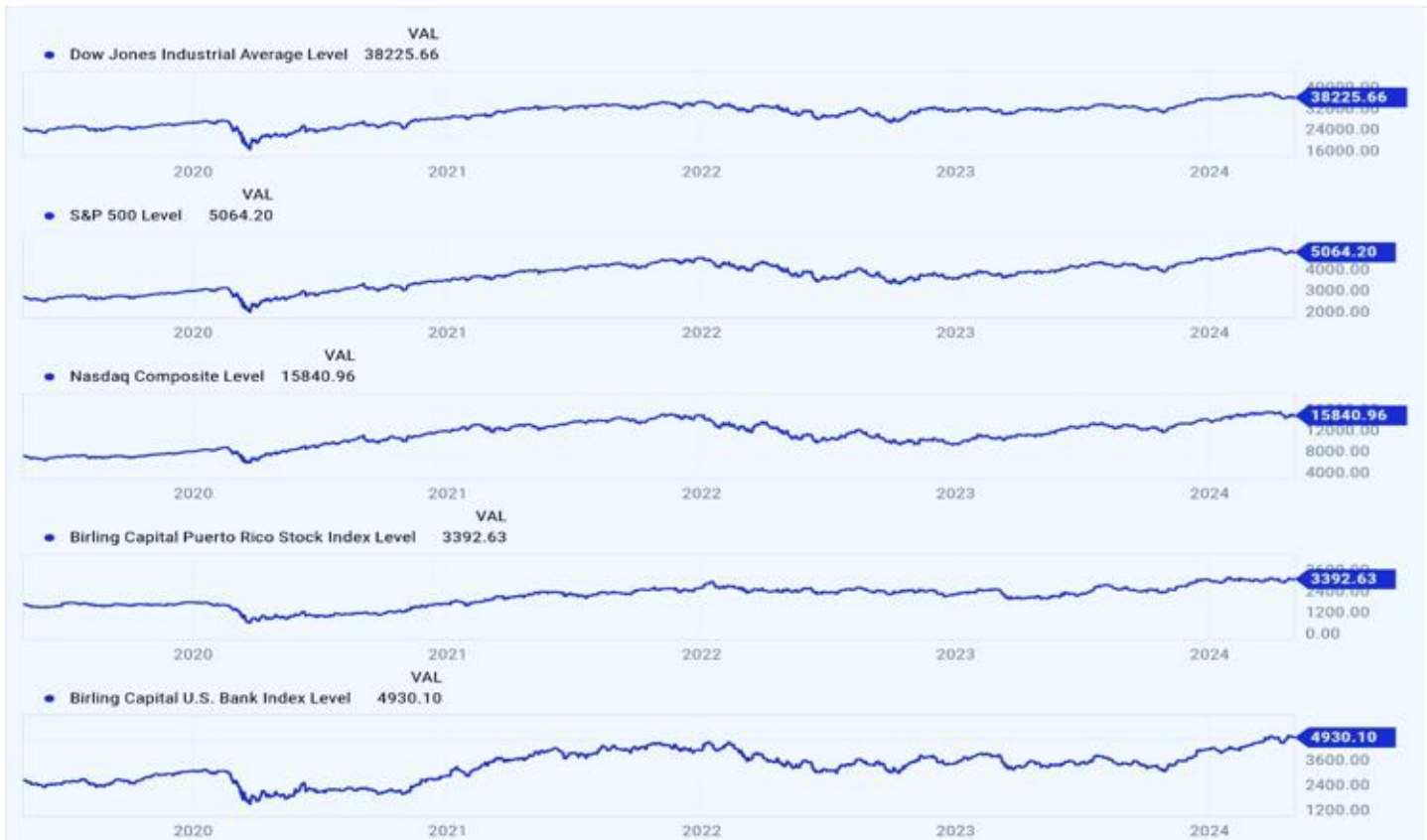




# Wall Street Update

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