

# The Fed could soon slow down its interest rate pace, and Wall Street closed lower.

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The U.S. & European stock markets attempted to add gains on top of last week's solid gains but were unable to do so. Following the U.S. midterm election results and a lower CPI reading is providing investors with ammunition to feel at least "Cautiously Optimistic" about the remainder of 2022.

Moreover, suppose the current U.S. economic forecasts of a GDP of 4% for the fourth quarter, as projected by the GDPNow, investors may take the markets for a good ride. In that case, however, we shall see how the market reacts to this week's economic data, which we will discuss later.

Today Fed Vice Chair Lael Brainard alluded that the FOMC could slow the aggressive pace of interest rate increases soon. During an interview, Mrs. Brainard stated, "I think it will probably be appropriate soon to move to a slower pace of rate increases".

We must remember that it took four consecutive 0.75% rate increases by the Fed to move inflation lower finally and only marginally. While it seems possible that the Fed will slow its pace of increases to 25 to 50 basis points at the December FOMC meeting, it will not veer from its 2% inflation target.

## Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.909, versus \$3.857 last week, increasing 1.35%.
- **Eurozone Industrial Production Index YoY: rose to** 4.90%, compared to 2.80% last month.
- **Japan Real GDP QoQ:** is at 0.90%, compared to 0.10% last quarter.
- **Japan Industrial Production Index MoM:** fell to -1.60%, compared to 3.41% last month.

This week several key economic reports could further provide us with a better view of the U.S. Economic progress, and that includes:

### 11/15

- US Producer Price Index

### 11/16

- U.S. Retail Sales
- U.S. Business Sales
- U.S. Business Inventories

### 11/17

- U.S. Initial Claims for Unemployment
- U.S. Housing Starts
- 30-Year Mortgage Rate

## Puerto Rico COVID-19 Update November 14:

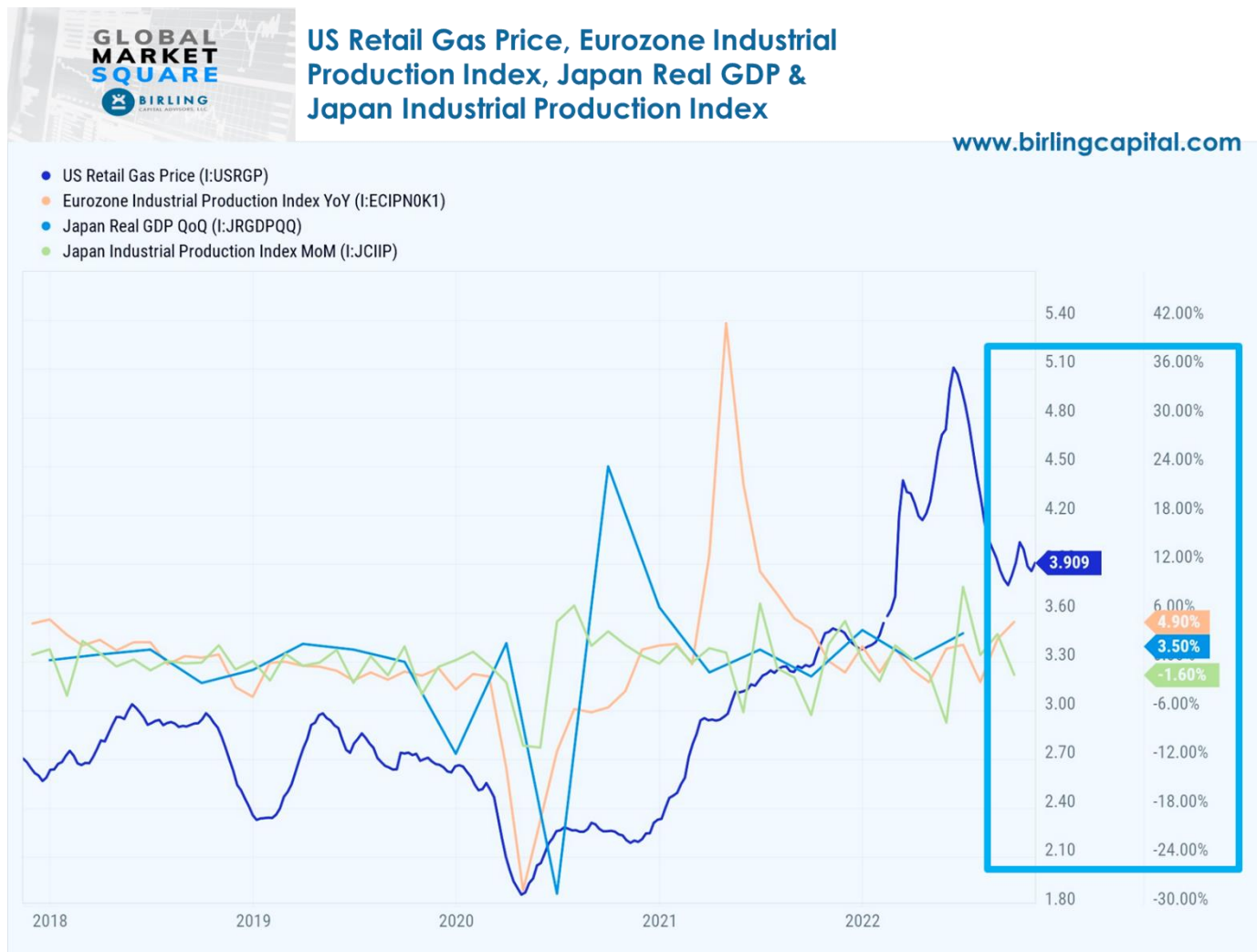
- Daily Cases: 144
- Positivity Rate: 14.47%
- Hospitalizations: 150
- Deaths: 0
- Source P.R. Department of Health.

## Eurozone Summary for November 14:

- Stoxx 600 closed at 432.72, up 0.46 points or 0.11%.
- FTSE 100 closed at 7,385.17, up 67.13 points or 0.92%.
- Dax Index closed at 14,313.30, up 88.44 points or 0.62%.

## Wall Street Summary for November 14:

- Dow Jones Industrial Average closed at 33,536.70, down 211.16 points or 0.63%.
- S&P 500 closed at 3,957.25, down 35.68 points or 0.89%.
- Nasdaq Composite closed at 11,196.22, down 127.11 points or 1.12%.
- Birling Capital Puerto Rico Stock index closed at 2,762.47, down 37.30 points or 1.33%.
- U.S. Treasury 10-year note closed at 3.88%.
- U.S. Treasury 2-year note closed at 4.40%.





# Wall Street 11/14/22

## YTD Returns

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● Dow Jones Industrial Average Level % Change



● S&P 500 Level % Change



● Nasdaq Composite Level % Change



● Birling Capital Puerto Rico Stock Index Level % Change





## Wall Street Recap November 14 , 2022

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