

Federal Reserve signals it will continue to increase rates until inflation reaches 2% and Wall Street closes down.

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The U.S. and European stock markets ended the session mostly with losses following the sentiment from some investors that the Fed should have pivoted its interest rate increases. We disagree with investors hoping that the Fed would shift its interest rate policy since every conceivable Fed FOMC member has clearly defined that the Fed will not stop until it reaches its 2% inflation target rate, and we are far from reaching that inflation target.

The opposite happens as the Fed significantly signals higher rates, so we suggest everyone buckle up for the ride.

Also, as noted below, the Bank of England followed suit and raised rates by 75 basis points to 3%. Tomorrow we all are expectant of the Jobs reports, and the consensus expects a lower growth rate. If the unemployment claims are any indication, they fell slightly this week to 217,000.

GDPNow:

The GDPNow was updated today with a 3.6% GDP Increase for the fourth quarter, up from 2.6% on November 1.

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 217,000, down from 218,000 last week, decreasing -0.46%.
- **U.S. Durable Goods New Orders MoM:** rose to 0.39%, compared to 0.23% last month.
- **U.S. Productivity:** rose to 0.30%, compared to -4.10% last quarter.
- **U.S. ISM Services PMI:** fell to 54.40, down from 56.70 last month, decreasing -4.06%.
- **30-Year Mortgage Rate:** fell to 6.95%, compared to 7.08% last week.
- **Canada Building Permits MoM:** fell to -17.54%, compared to 11.97% last month.
- **Eurozone Unemployment Rate:** fell to 6.60%, compared to 6.70% last month.
- **Bank of England Bank Rate:** rose to 3.00%, compared to 2.25% yesterday.

Puerto Rico COVID-19 Update November 3:

- Daily Cases: 139
- Positivity Rate: 14.85%
- Hospitalizations: 0
- Deaths: 3
- Source Puerto Rico Department of Health.

Eurozone Summary for November 3:

- Stoxx 600 closed at 409.55, down 3.84 points or 0.93%.
- FTSE 100 closed at 7,188.63, up 44.49 points or 0.62%.
- Dax Index closed at 13,130.19, down 126.55 points or 0.95%.

Wall Street Summary for November 3:

- Dow Jones Industrial Average closed at 32,001.25, down 146.51 points or 0.46%.
- S&P 500 closed at 3,719.89, down 39.80 points or 1.06%.
- Nasdaq Composite closed at 10,242.94, down 181.86 points or 1.73%.
- Birling Capital Puerto Rico Stock index closed at 2,671.96, down 93.60 points or 3.38%.
- The U.S. Treasury 10-year note closed at 4.14%.
- The U.S. Treasury 2-year note closed at 4.71%.



US Initial Claims for Unemployment, US Job Openings Total Nonfarm Payrolls, US Unemployment Rate, US Unemployed Persons Job Seekers,





Wall Street Recap November 3 , 2022



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