

GLOBAL MARKET SQUARE



Fed Chair Powell stated that bond yields have tightened financial conditions and have decreased further interest rate increases and Wall Street closed mixed.

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The U.S. and European stock indexes closed with mixed results as investors appear to have stayed on the sidelines pondering the market developments and expecting next Tuesday's U.S. Consumer Price Index reading.

Asian markets veered lower while European markets closed mixed; even today, the German Consumer Price Index fell 3.80%, a 15.55% decrease and its lowest since August 2021. Also, China reported that its inflation reading had dropped to 0.00%, and like all Chinese economic data, we take it with a grain of salt.

The West Texas Intermediate Oil barrel price fell to \$75.59, its lowest since summer, a welcomed development towards inflation data.

Fed Chair Jerome Powell spoke at the 24th Jacques Polak Annual Research Conference. During his speech, he recognized that higher long-term bond yields have tightened financial conditions and could decrease the need for further policy-rate hikes. The markets expect Fed rate cuts to begin during the second semester of 2024. A word of caution in the FOMC September economic projections: the members expect one final rate hike in 2023 before pivoting to rate cuts in 2024.

We view that the Fed may have ended raising rates as the CPI and Core CPI have trended lower, and the latest Inflation Nowcast has the CPI at 3.28% and the Core CPI at 4.16%.

Corporate Earnings Parade:

- **The Walt Disney Co (DIS):** reported 4Q23 revenues of \$21,241 billion, up 5.0%, Net Income of \$1.007 billion, and Earnings per share of \$0.14 negating estimates. The stock has a price objective of \$104.18 and closed today at \$84.60 or 0.01%.

GDPNow Update:

- The GDPNow for the fourth quarter of 2023 was updated on November 8, 2023, and is unchanged at 2.10% GDP.

Key Economic Data:

- **U.S. Wholesale Inventories MoM:** rose 0.17%, compared to -0.12% last month.
- **Canada Building Permits MoM:** fell -6.46%, compared to 4.26% last month.
- **Eurozone Retail Trade YoY:** fell -2.90%, compared to -1.80% last month.
- **Germany Consumer Price Index YoY:** fell to 3.80%, compared to 4.50% last month.

- **Japan Business Conditions Composite Coincident Index:** rose to 114.70, up from 114.60 last month.
- **China Inflation Rate:** fell to 0.00%, compared to 0.10% last month.
- **China Producer Price Index YoY:** is at -2.50%, compared to -3.00% last month.

Eurozone Summary:

- **Stoxx 600** closed at 444.07, up 1.26 points or 0.28%.
- **FTSE 100** closed at 7,401.72, down 8.32 points or 0.11%.
- **Dax Index** closed at 15,229.60, up 76.96 or 0.51%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,112.27, down 40.33 points or 0.12%.
- **S&P 500** closed at 4,382.78, up 4.40 points or 0.10%.
- **Nasdaq Composite** closed at 13,650.41, up 10.56 points or 0.08%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,790.17, down 17.04 or 0.61%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,607.83, down 12.65 or 0.35%.
- **U.S. Treasury 10-year note** closed at 4.49%.
- **U.S. Treasury 2-year note market** closed at 4.93%.



GDPNow 4Q23

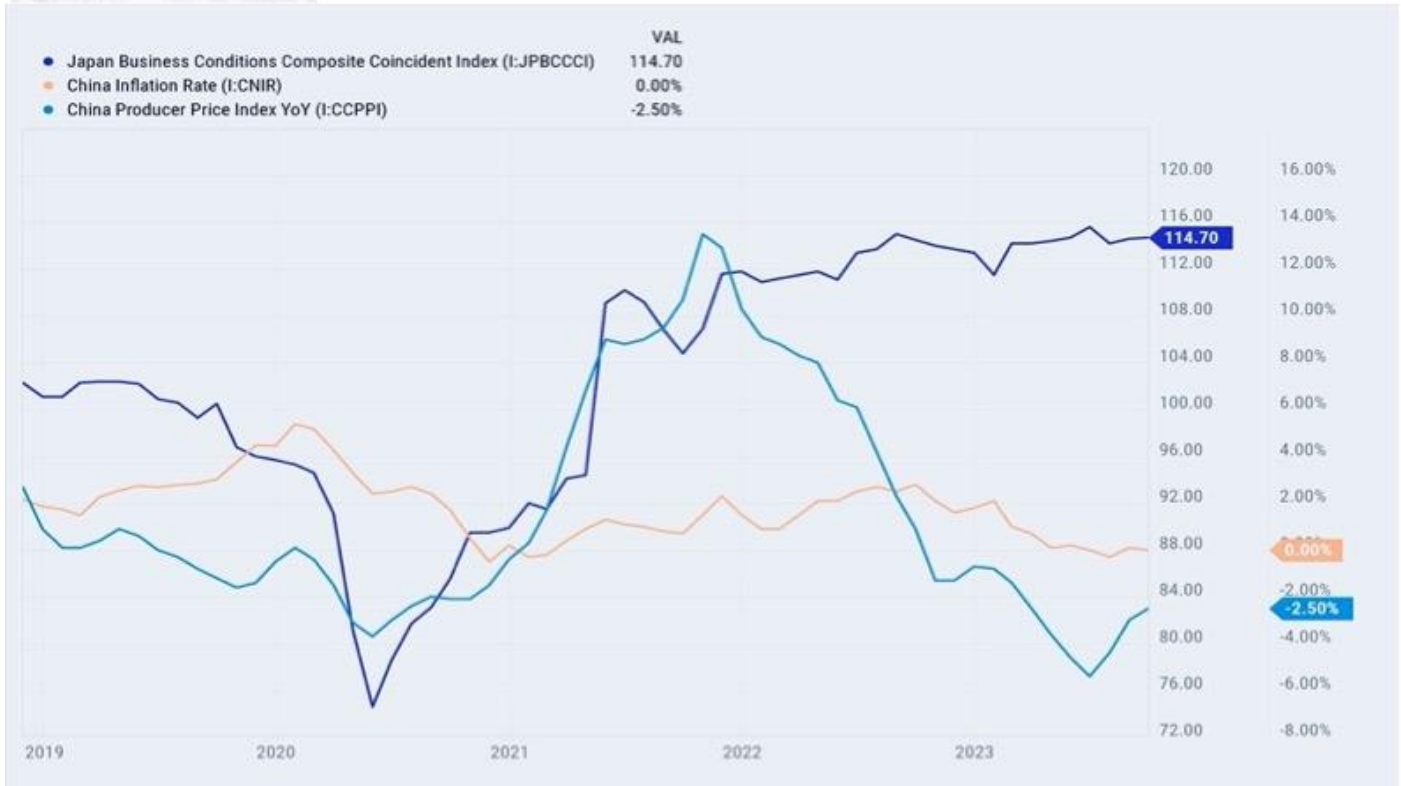
Date	GDPNow 4Q23	Change
10/27/23	2.30%	Initial Forecast
11/1/23	1.20%	-91.67%
11/7/23	2.10%	42.86%
11/8/23	2.10%	0.00%



US Wholesale Inventories, Canada Building Permits, EU Retail Sales & Germany CPI



Japan Business Conditions Index, China Inflation Rate & China Producer Price Index

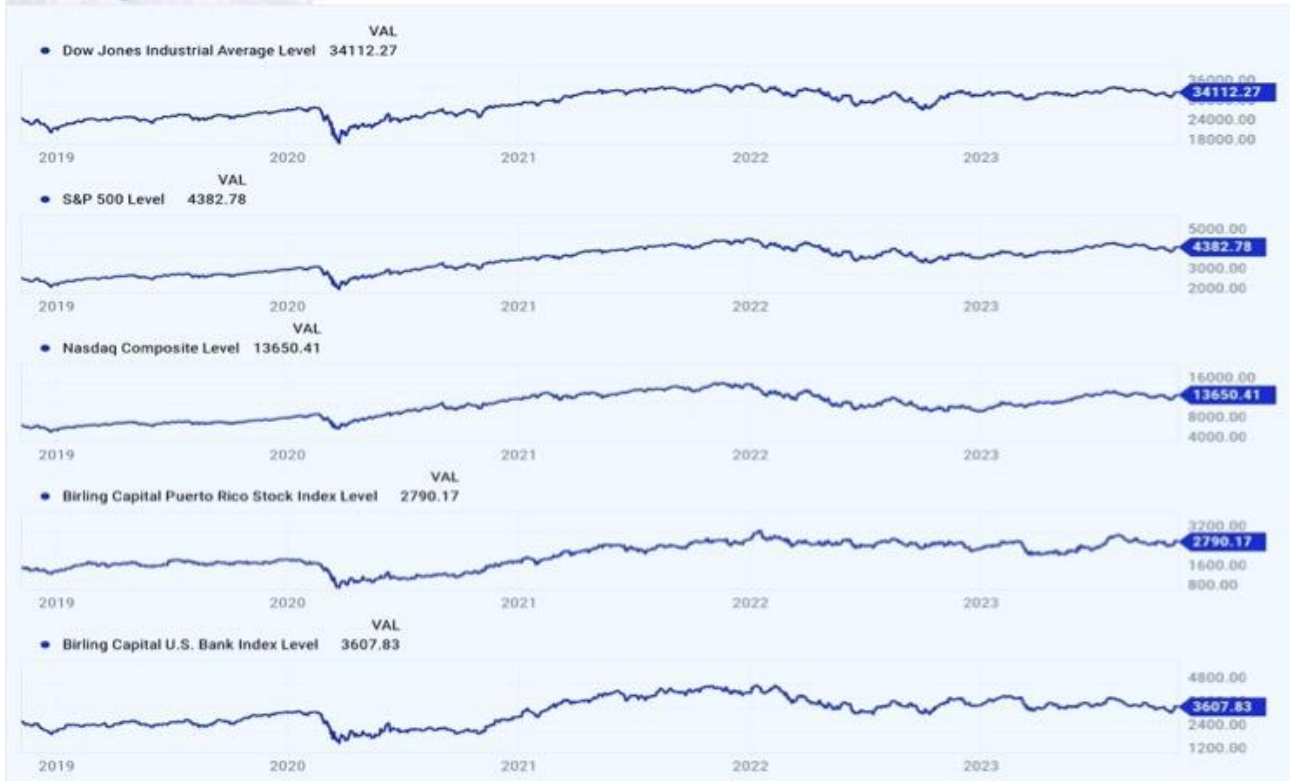




Wall Street Recap

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