

U.S. Treasury Ten-year note closes at 4.24%, the highest since 2008; Unemployment Claims fall -5.31% ahead of estimates, and Wall Street closed down.

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The U.S. & European stock markets closed today with asymmetrical results as investors continue to adjust their strategies to the incoming economic data and rising yields. We particularly point out the U.S. Treasury Ten-year note that closed today at 4.24%, the highest level since 2008.

In European news, British Prime Minister Liz Truss announced her resignation after only 44 days on the job; ever since Brexit, the British political establishment has been without much luck.

In Asian markets, there is a new development coming out of Japan. You see, the Japanese Yen has hit a 32-year low when pegged against the U.S. Dollar, So the Bank of Japan has begun an emergency bond-buying program to set a floor for bond prices amid rising yields. The central bank plans to buy up to \$1.5 billion worth of bonds to support the fixed-income market. This newest development further highlights the strength of the U.S. Dollar, a situation that is having a global impact.

Lastly, we must comment that the initial unemployment claims fell to 214,000, much lower than the consensus estimates of 235,000. Even with rates rising, the labor market has been remarkably robust, and We think that a softening of the labor market is needed before the Fed can pivot from its aggressive stance.

Key Economic Data:

- **U.S. Existing Home Sales:** fell to 4.71 million, down from 4.78 million last month, decreasing -1.46%.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 214,000, down from 226,000 last week, declining -5.31%.
- **30-Year Mortgage Rate:** rose to 6.94%, compared to 6.92% last week.
- **Canada New Housing Price Index YoY:** fell to 6.86%, compared to 7.51% last month.
- **Germany Producer Price Index YoY:** is unchanged at 45.80%, compared to 45.80% last month.
- **Japan Consumer Price Index YoY:** rose to 3.00%, compared to 2.60% last month.

Puerto Rico COVID-19 Update October 20:

- Daily Cases: 134
- Positivity Rate: 15.4%
- Hospitalizations: 165
- Deaths: 9
- Source Puerto Rico Department of Health.

Eurozone Summary for October 20:

- Stoxx 600 closed at 398.71, up 0.98 points or 0.25%.
- FTSE 100 closed at 6,943.91, up 18.92 points or 0.27%.
- Dax Index closed at 12,767.41, up 26.00 points or 0.20%.

Wall Street Summary for October 20:

- Dow Jones Industrial Average closed at 30,333.59, down 30.22 points or 0.30%.
- S&P 500 closed at 3,665.78, down 29.38 points or 0.80%.
- Nasdaq Composite closed at 10,614.84, down 65.66 points or 0.61%.
- Birling Capital Puerto Rico Stock index closed at 2,738.60, down 17.26 points or 0.63%.
- The U.S. Treasury 10-year note closed at 4.24%.
- The U.S. Treasury 2-year note closed at 4.62%.



Dow Jones, S&P 500, Nasdaq & Birling Puerto Rico Stock Index, YTD Returns 10/20/22



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

- US Initial Claims for Unemployment Insurance
- US Job Openings: Total Nonfarm
- US Unemployed Persons: Job Seeker
- US Unemployment Rate



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