

GLOBAL MARKET SQUARE



The Dow Jones welcomes October with a gain of 765.38 points; meanwhile, the GDPNow Estimate for the third quarter rose to 2.3%.

October 3, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets began the month of October with a bang, snapping last month's losing streak and delivering one of the best trading days of 2022.

After following one of the worst months since the pandemic, today's rally is not surprising since the market is pessimistically oversold.

One must remember that Wall Street is forward-looking, and markets could start to recover as the economy and corporate earnings decline.

We suggest being on the lookout for these signs instead.

Inflation starts to decrease as the CPI and the PCE indexes have risen to 40-year highs, the global central banks have dramatically shifted their monetary policy to abate inflation.

Bond yields normalize and begin to move lower: As interest rate rise, we have seen the 10-year yield increase from 1.50% to 3.67% today. The 2-year U.S. treasury closed at 4.12%, while the 10-year U.S. treasury closed at 3.67%. When the 10-year yields normalize and the 2-year U.S. treasury yields are no longer in an inverted yield curve as it is now, this is another sign of bottoming.

When the U.S. dollar moves lower: The U.S. dollar has risen 17% during the 2022 year to date and 25% in 2021. The U.S. dollar is a safe-haven currency for investors.

GDPNow Update October 3

The GDPNow was updated today, reflecting the latest GDP third quarter estimate showing 2.3% growth on October 3.

Date	GDPNow	Change
9/1/2022	2.60%	38.46%
9/7/2022	1.40%	-85.71%
9/15/2022	0.50%	-180.00%
9/20/2022	0.30%	-66.67%
9/27/2022	0.30%	0.00%
9/30/2022	2.40%	700.00%
10/3/2022	2.30%	-4.17%

Key Economic Data:

- **U.S. ISM Manufacturing PMI:** fell to 50.90, down from 52.80 last month, decreasing -3.60%.
- **U.S. ISM Manufacturing New Orders Index:** fell to 47.10, down from 51.30 last month, decreasing -8.19%.
- **U.S. Construction Spending MoM:** fell to -0.68%, compared to -0.57% last month.
- **U.S. Retail Gas Price:** rose to \$3.832, up from \$3.771 last week, increasing 1.62%.

Puerto Rico COVID-19 Update October 3:

- Daily Cases: 126, lack of power is impacting the data.
- Positivity Rate: 14.28%
- Hospitalizations: 203
- Deaths: 1
- Source Puerto Rico Department of Health.

Eurozone Summary for October 3:

- Stoxx 600 closed at 390.59, up 2.74 points or 0.71%.
- FTSE 100 closed at 6,908.76, up 14.95 points or 0.22%.
- Dax Index closed at 12,209.48, up 95.12 points or 0.79%.

Wall Street Summary for October 3:

- Dow Jones Industrial Average closed at 29,490.89, up 765.38 points or 2.66%.
- S&P 500 closed at 3,678.43, up 92.81 points or 2.59%.
- Nasdaq Composite closed at 10,815.44, up 239.82 points or 2.27%.
- Birling Capital Puerto Rico Stock index closed at 2,525.08, down 9.21 points or 0.36%.
- The U.S. Treasury 10-year note closed at 3.67%.
- The U.S. Treasury 2-year note closed at 4.12%.



US ISM Manufacturing PMI, US ISM Manufacturing Employment Index, US ISM Manufacturing New Orders, US Construction Spending & US Retail Gas Price

- US ISM Manufacturing PMI (I:USPMI)
- US ISM Manufacturing Employment Index (I:ISMMEI)
- US ISM Manufacturing New Orders Index (I:ISMMNOI)
- US Construction Spending MoM (I:USCCONS)
- US Retail Gas Price (I:USRGP)



GDPNow

Date	GDPNow	Change
8/12/2022	2.50%	4.00%
8/17/2022	1.60%	-56.25%
8/24/2022	1.40%	-14.29%
8/26/2022	1.60%	12.50%
9/1/2022	2.60%	38.46%
9/7/2022	1.40%	-85.71%
9/15/2022	0.50%	-180.00%
9/20/2022	0.30%	-66.67%
9/27/2022	0.30%	0.00%
9/30/2022	2.40%	700.00%
10/3/2022	2.30%	-4.17%

Wall Street Recap October 3, 2022

www.birlingcapital.com

• Dow Jones Industrial Average Level



• S&P 500 Level



• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



Global Market Square® es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.