

GLOBAL MARKET SQUARE



The Dow & S&P snap losing streak, the GDPNow forecasts third-quarter growth of 2.60%, Unemployment claims fall -2.11%, and Wall Street closed mixed.

September 1, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets closed with mixed results as markets are attempting to cut four straight days of losses that made the month of August 2022 one of the worst since 2020. As investors finally adjust to the Fed's decisive direction to fight inflation, we focus on tomorrow's Nonfarm Payrolls that are due to be released by 8:30 am. We consider this report especially important as it is one of the critical economic statistics the Fed will review before determining how much it will increase interest rates during the FOMC September meeting.

The consensus estimates predict jobs growth in the range of 315,000 to 325,000, with the unemployment rate remaining at 3.50%.

GDPNow:

Today the GDPNow forecast for the third quarter was updated on 9/1 and rose to 2.60% from 1.60% on 8/26.

Date	GDPNow Forecast
8/5/2022	2.40%
8/12/2022	2.50%
8/17/2022	1.60%
8/24/2022	1.40%
8/26/2022	1.60%
9/1/2022	2.60%

Monthly Wall Street Recap:

The four key indices we follow lost as follows:

- Dow Jones Industrial Average lost -1,343.70 or -4.09% taking the year-to-date return to -13.29%.
- S&P 500 lost -175.29 or -4.24% taking the year-to-date return to -17.02%.
- Nasdaq Composite lost -574.49 or -4.64% taking the year-to-date return to -24.47%.
- Birling Puerto Rico Stock Index lost -124.42 or -4.43%, taking the year-to-date return to -6.81%.

Key Economic Data:

- U.S. Initial Claims for Unemployment Insurance: fell to 232,000, down from 237,000 last week, decreasing -2.11%.
- U.S. Productivity: is at -4.10%, compared to -7.40% last quarter.
- U.S. ISM Manufacturing PMI: is at 52.80, unchanged from 52.80 last month.

- U.S. ISM Manufacturing Employment Index: rose to 54.20, up from 49.90 last month, increasing 8.62%.
- U.S. Unit Labor Costs: Nonfarm Business QoQ: fell to 10.20%, compared to 12.70% last quarter.
- 30-Year Mortgage Rate: rose to 5.55%, compared to 5.13% last week.
- Eurozone Unemployment Rate: fell 6.60%, compared to 6.70% last month.
- Germany Real Retail Sales YoY: is at -5.50%, compared to -9.60% last month.

Puerto Rico COVID-19 Update September 1:

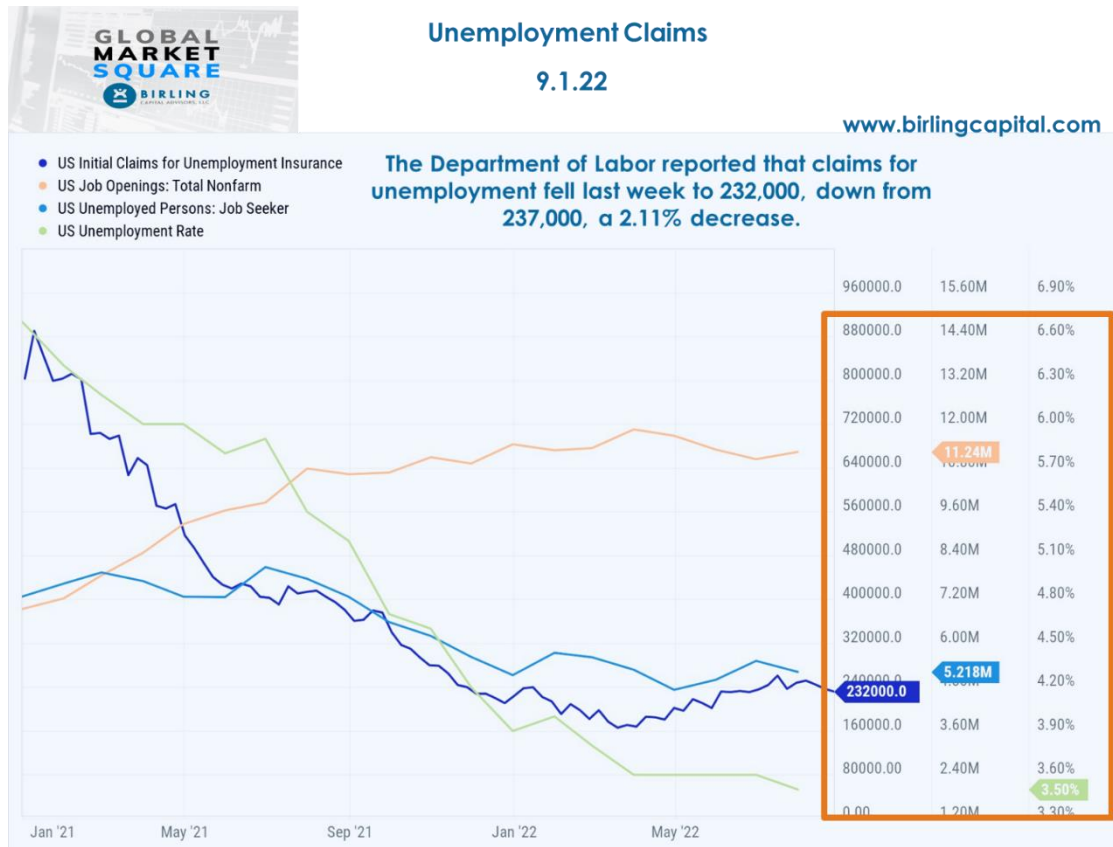
- Daily Cases: 368, down 0.27%
- Positivity Rate: 24.06%, down 2.39%
- Hospitalizations: 321, up 0.62%
- Deaths: 8, down 20%
- Source Puerto Rico Department of Health.

Eurozone Summary for September 1:

- Stoxx 600 closed at 407.42, down 7.70 points or 1.85%.
- FTSE 100 closed at 7,148.50, down 135.65 points or 1.86%.
- Dax Index closed at 12,630.23, down 204.73 points or 1.60%.

Wall Street Summary for September 1:

- Dow Jones Industrial Average closed at 31,656.42, up 145.99 points or 0.46%.
- S&P 500 closed at 3,966.85, up 11.85 points or 0.30%.
- Nasdaq Composite closed at 11,785.13, down 31.08 points or 0.26%.
- Birling Capital Puerto Rico Stock index closed at 2,683.19, down 13.76 points or 0.51%.
- The U.S. Treasury 10-year note closed at 3.26%.
- The U.S. Treasury 2-year note closed at 3.51%.

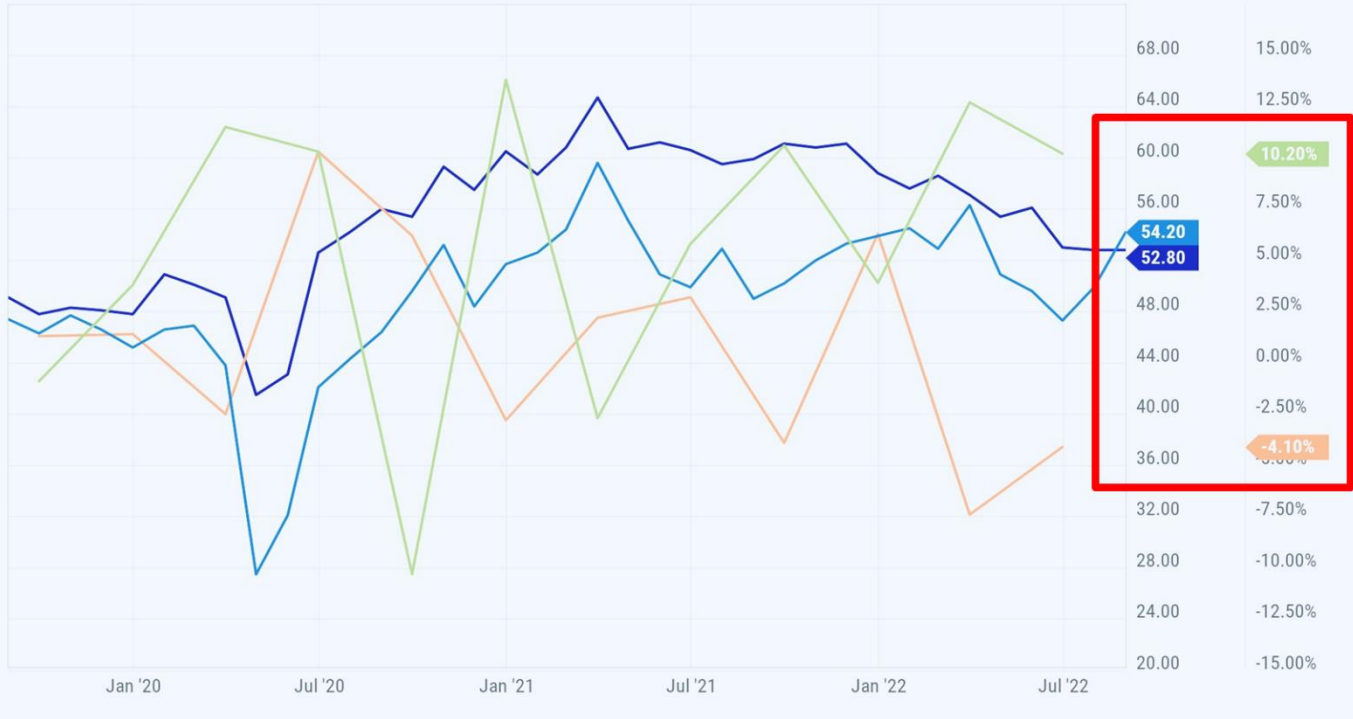




US ISM Manufacturing PMI, US Productivity, US ISM Manufacturing Employment Index , & US Unit Labor Cost

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- US ISM Manufacturing PMI (I:USPMI)
- US Productivity (I:USP)
- US ISM Manufacturing Employment Index (I:ISMMEI)
- US Unit Labor Costs: Nonfarm Business QoQ (I:USCUXGD7)





Wall Street Recap

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