

GLOBAL MARKET SQUARE



The Federal Reserve Bank leaves interest rates unchanged and Increases GDP projection to 2.1% GDP for 2023, and Wall Street tanks.

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The U.S. and European stock markets closed today with asymmetrical results following the Federal Reserve FOMC meeting that decided to leave interest rates unchanged at their 22-year high. At the same time, it signaled that another interest rate increase is on the cards during 2023, with the probability of sparse rate cuts during 2024.

With a unanimous vote, the Federal Open Market Committee opted against an interest rate increase following its latest two-day meeting, keeping the federal funds rate between 5.25%- 5.50%. Also, the Fed is expected to maintain interest rates higher longer, and the Fed revised up its economic growth expectations for this year, with gross domestic product to 2.1% GDP for 2023 this year.

Elsewhere, Global and European markets closed higher, led by gains in European stocks.

Lastly, in Germany, the Producer Price Index fell -12.60%, and the U.K. inflation report showed the consumer price index falling to 6.70% in August, the slowest pace in a year and a half, offering a promising sign that inflation pressures may be moderating in the U.K.

Key Economic Data:

- **Target Federal Funds Rate Upper Limit:** unchanged at 5.50%, compared to 5.50% yesterday and 2.50% last year.
- **Germany Producer Price Index YoY:** fell to -12.60%, compared to -6.00% last month.
- **U.K. Consumer Price Index YoY:** fell to 6.70%, compared to 6.80% last month.
- **U.K. Producer Price Index: Output YoY:** is at -0.44%, compared to -0.66% last month.
- **U.K. Producer Price Index: Input YoY:** is at -2.25%, compared to -3.22% last month.

Eurozone Summary:

- **Stoxx 600** closed at 460.66, up 4.14 points or 0.91%.
- **FTSE 100** closed at 7,731.65, up 71.45 points or 0.93%.
- **Dax Index** closed at 15,781.59, up 117.11 points or 0.75%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,440.88, down 76.85 points or 0.22%.
- **S&P 500** closed at 4,402.20, down 4.75 points or 0.94%.
- **Nasdaq Composite** closed at 13,469.13, down 209.06 points or 1.53%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,712.67, down 23.62 points or 0.86%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,785.03, down 9.78 points or 0.26%.

- U.S. Treasury 10-year note closed at 4.35%.
- U.S. Treasury 2-year note closed at 5.12%.



30-Year Mortgage Rate, Target Fed Funds Upper Limit, Target Fed Funds Lower Limit & Effective Fed Funds Rate



Germany PPI, UK CPI, UK PPI Input UK PPI Output





Wall Street Recap September 20, 2023



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