

GLOBAL MARKET SQUARE



Investors are concerned with an upward revision to rate projections for 2024 & 2025, with an expectation of as little as two rate cuts for next year and Wall Street tanks.

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The US and European stock markets closed markedly lower as investors continued to study the Federal Reserve Banks' rate determination and outlook for future rate action and the US economic growth.

In economic news, US Existing Home Sales fell -2.16%, and the initial jobless claims dropped -9.05 % to 201,000 below expectations and the lowest level since January, confirming the Fed's view that the labor market remains strong. The FOMC Committee seeks to reach the highest employment level and affirmed an inflation target of 2%. Investors are concerned about the unexpected upward revision to the rate projections for 2024 and 2025, with an expectation of as little as two rate cuts for next year vs. the market expectations for four; as you know, Wall Street could react better to negative surprises, but it does not.

Key Economic Data:

- **US Existing Home Sales:** fell 4.07 million, down from 4.16 million last month, fell -2.16%.
- **US Initial Claims for Unemployment: fell to 201,000**, down from 221,000 last week, down.
- **30-Year Mortgage Rate:** rose to 7.19%, compared to 7.18% last week.
- **Canada New Housing Price Index YoY:** is unchanged at -0.87%, compared to -0.87% last month.
- **Eurozone Economic Sentiment Indicator:** fell to 93.30, down from 94.50 last month, decreasing -1.27%.
- **Japan Consumer Price Index YoY:** is unchanged at 3.30%, compared to 3.30% last month.

Eurozone Summary:

- **Stoxx 600** closed at 454.72, down 5.94 points or 1.29%.
- **FTSE 100** closed at 7,678.62, down 53.03 points or 0.69%.
- **Dax Index** closed at 15,571.86, down 209.73 points or 1.33%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,070.42, down 370.46 points or 1.08%.
- **S&P 500** closed at 4,330.00, down 72.20 points or 1.64%.
- **Nasdaq Composite** closed at 13,223.98, down 245.14 points or 1.82%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,694.52, down 18.15 points or 0.67%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,749.87, down 35.15 points or 0.93%.
- **U.S. Treasury 10-year note** closed at 4.49%.
- **U.S. Treasury 2-year note** closed at 5.12%.



Wall Street Recap September 21, 2023



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