



# GLOBAL MARKET SQUARE



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## Wall Street snaps losing streak following Fed Vice Chair Lael Brainard's speech stating the bank will fight inflation as long as it takes.

September 7, 2022

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The US & European stock markets ended the session with asymmetrical results. For US markets, they snapped the losing streak following Federal Reserve Bank Vice Chair Lael Brainard's speech at the Clearing House and Bank Policy Institute 2022 Annual Conference in New York. Her closing statement could not have been more straightforward. She said, "We are in this for as long as it takes to get inflation down. So far, we have expeditiously raised the policy rate to the peak of the previous cycle, and the policy rate will need to rise further".

We include the speed here: [Speech by Vice Chair for Supervision Barr on making the financial system safer and fairer - Federal Reserve Board](#)

With just two ahead of the next FOMC meeting on September 20-21 and the Fed preferred inflation benchmark at the PCE Price Index, the stage is set for at least a 75 basis point increase; however, we predict the rise may be 100 basis points.

Lastly, the yields of US Treasuries fell following yesterday's increase. Also, oil prices fell, with the benchmarks West Texas Intermediate crude below closing at \$85 a barrel.

In Europe, markets mainly closed down; the big news was the selection of the new British Prime Minister, Liz Truss, whom Queen Elizabeth asked to form a new government. The markets welcomed the new Prime Minister and had to stomach the British Pound Sterling falling to 0.86 pounds versus \$1.00, the lowest level since 1985.

# GDPNow Update

The GDPNow estimate for GDP growth in the third quarter of 2022 is 1.4% on September 7, down from 2.6% on September 1. a downward revision of -85.71%.

Date	GDPNow
• 9/1/2022	2.60%
• 9/7/2022	1.40%

## Key economic data:

- US Trade Balance on Goods and Services: rose to -70.65 Billion, up from -80.88 Billion last month.
- Canada Ivey PMI: rose to 60.90, up from 49.60 last month, increasing 22.78%.
- Germany Industrial Production Index MoM: fell to -0.30%, compared to 0.80% last month.
- Japan Real GDP QoQ: rose to 0.50%, compared to 0.00% last quarter.
- Japan Business Conditions Composite Coincident Index: rose to 100.60, up from 99.20 last month.
- China Exports YoY: fell to 7.00%, compared to 17.80% last month.
- China Imports YoY: fell to -0.19%, compared to 2.49% last month.
- China Trade Balance: fell to 79.39 Billion, down from 101.27B last month, a decrease of -21.61%.

## Puerto Rico COVID-19 Update September 7:

- Daily Cases: 265, down 20.89%.
- Positivity Rate: 22.34%, up 2.99%.
- Hospitalizations: 290, up 2.75%.
- Deaths: 3, down 62.5%.
- Source Puerto Rico Department of Health.

## Eurozone Summary for September 7:

- Stoxx 600 closed at 412.76, down 1.62 points or 0.39%.
- FTSE 100 closed at 7,237.83, down 62.61 points or 0.86%.
- Dax Index closed at 12,915.97, up 44.53 points or 0.35%.

## Wall Street Summary for September 7:

- Dow Jones Industrial Average closed at 31,581.28, up 435.98 points or 1.40%.
- S&P 500 closed at 3,979.87, up 71.68 points or 1.83%.

- Nasdaq Composite closed at 11,791.90, up 246.99 points or 2.14%.
- Birling Capital Puerto Rico Stock index closed at 2,606.08, down 50.40 points or 1.90%.
- The U.S. Treasury 10-year note closed at 3.27%.
- The U.S. Treasury 2-year note closed at 3.45%.



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Date	GDPNow Forecast	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%



US Trade Balance, Canada Ivey PMI, Germany Industrial Production, Japan GDP & Japan Business Conditions Composite Index

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# China Exports, China Imports & China Trade Balance

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# Wall Street Recap

## September 7, 2022

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