



GLOBAL MARKET SQUARE



Market Anticipation Builds as Investors Await CPI Release and Federal Reserve's Strategic Moves; Macy's Takes Center Stage with a \$5.8 Billion Bid, Signaling Transformative Shift in Retail.

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The U.S. and European stock markets began this highly eventful week mostly up, even as all the investor's attention is focused on tomorrow's Consumer Price Index reading, followed by the Fed's FOMC interest rate determination on Wednesday, December 13.

The CPI is the last inflation report before the Fed finishes its final meeting of the year to determine if it should continue with the rate pause or if it should take rates further, and the latest Inflation Nowcasting forecast has the CPI at 3.04% and Core CPI at 4.06%

The Eurozone markets closed mixed, and Asian markets closed higher.

While we do not foresee any developments that may derail the CPI data or the Fed's decision, we expect that the CPI will surprise lower with solid evidence of moderating consumer prices, which has allowed most investors to develop a more optimistic outlook toward the direction of the Fed policy. Both will be tested over the next few days, on Wednesday.

We expect the Fed to keep its fed funds rate at its current 5.25%-5.50% range, but we are more curious about the Fed's comments once their decision is made and if there will be any indications of rate cuts early in 2024.

Over the weekend, venerable Macy's, the iconic American department store, holds a special place in the hearts of many and has woven itself into the fabric of American traditions, notably with its spectacular Thanksgiving Day Parade. A target of a Mergers and Acquisition deal as Arkhouse Management and Brigade Capital Management made an offer of \$5.8 billion offer to take Macy's private. On the news, Macy's Inc. (M) closed up 19.38% or up \$3.37 to close at \$20.76 with a total market capitalization of \$5.690 billion.

The nostalgia and sentimentality associated with Macy's make it more than a retail destination—it's a cultural landmark that resonates with people from all walks of life.

Puerto Rico Economic Update:

- For Puerto Rico, the strength of infrastructure investment is the engine of economic growth. Combined with the \$2.7 billion in debt service savings, the government has ample dry powder to expand, enhance, and improve Puerto Rico's infrastructure.
- Birling Capital forecasts that Puerto Rico will close in 2023 with a GDP of 1.6%, 1.5% by 2024, and 1.2% by 2025; we compare the overall GDP growth forecast versus the U.S. and Global growth with substantial lag in growth.

Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.355, down from \$3.363 last week, decreasing -0.24%.
- **China M2 Money Supply YoY:** rose to 10.31%, compared to 10.28% last month, and is lower than the long-term average of 13.57%.

Eurozone Summary:

- **Stoxx 600** closed at 473.70, up 1.44 points or 0.30%.
- **FTSE 100** closed at 7,544.89, down -9.58 points or 0.13%.
- **Dax Index** closed at 16,794.43, up 35.31 points or 0.21%

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 36,404.93, up 157.06 points or 0.43%.
- **S&P 500** closed at 4,622.44, up 18.07 points or 0.39%.
- **Nasdaq Composite** closed at 14,432.49, up 28.51 points or 0.20%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,201.89, up 25.65 points or 0.81%.
- **Birling Capital U.S.Bank Stock Index** closed at 4,015.72, up 56.83 points or 1.44%.
- **U.S. Treasury 10-year note** closed at 4.23%.
- **U.S. Treasury 2-year note** market closed at 4.71%.

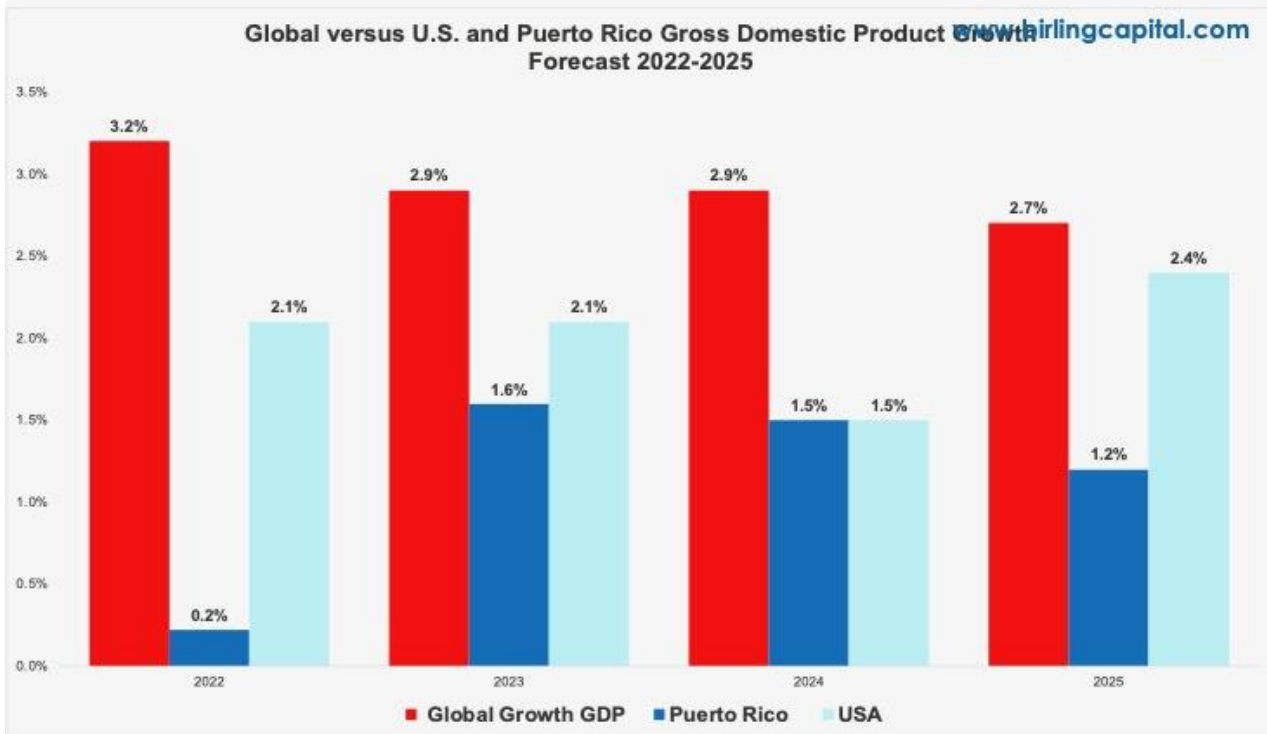


Inflation Nowcasting

Inflation Nowcasting	CPI Forecast	Core CPI Forecast
	3.04%	4.06%



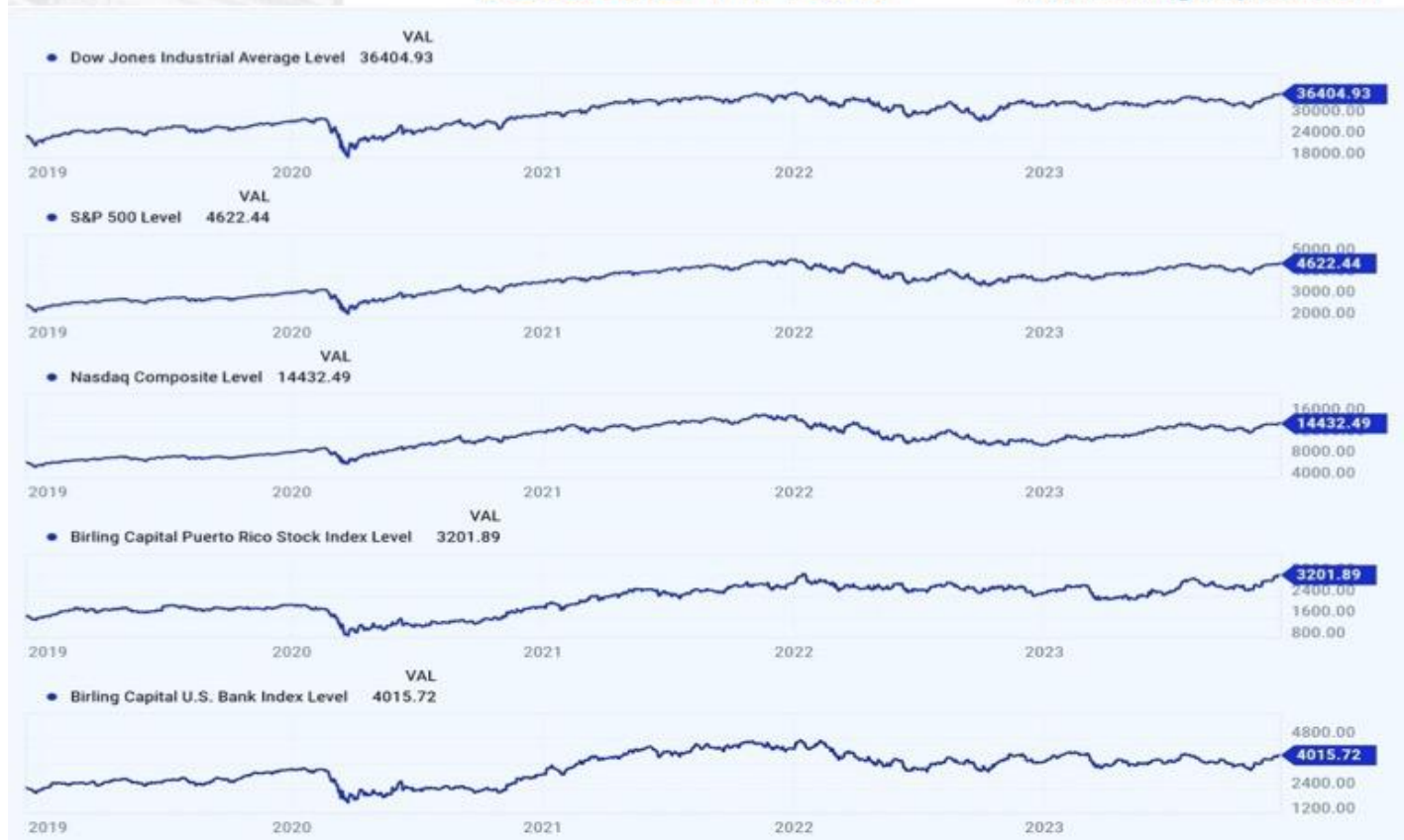
Global, U.S. and Puerto Rico GDP Growth Forecast 2023-2025



Wall Street Recap

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