

The U.S. CPI for June was 2.97%, a whopping 36.36% better than last months, and Wall Street took flight.

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The U.S. and European stocks increased for a third consecutive session day as the Consumer Price Index (CPI) reading was surprisingly better than all expectations.

The U.S. CPI for June was 2.97%, lower than the Inflation Nowcast of 3.22% and better than the 3% Consensus expectations, some 8.41% ahead of the Inflation Now cast reading, and 36.36% better than last month's 4.05% CPI, taking the market higher.

So far, the CPI has delivered twelve consecutive lower readings for headline CPI since it peaked in June 2022 at 9.06%. Also, the Core CPI, which eliminates more volatile food and energy prices, came in at 4.86%, also below the Inflation Nowcast of 5.11%, some 5.14% better than expectations and 9.67% better than last month's Core CPI of 5.33% reading.

The key drivers for the better-than-expected inflation data were used car sales, energy, ed-car, and airfare prices. Also, the trend for shelter and rent is coming down.

Lastly, as expected, the Bank of Canada raised rates by 0.25 basis, taking its benchmark rate to 5.0% for the first time in 22 years. The Canadian Central Bank noted in its release that it does not expect Inflation to return to its 2.0% target until mid-2025, six months later than its earlier forecast of the end of 2024. Like the U.S., Canada's economy faces high inflation pressure with a robust labor market, a key comparison, and food for thought.

The Bank of Canada also said it expects economic growth in Canada to slow to 1% in the second semester of 2023 through early 2024. Also, the bank forecasted that Canadian economic growth to slow to around 1.0% in the second half of 2023 through early 2024.

Key Economic Data:

- **U.S. Consumer Price Index YoY:** fell to 2.97%, compared to 4.05% last month.
- **U.S. Consumer Price Index MoM:** rose to 0.18%, compared to 0.12% last month.
- **U.S. Core Consumer Price Index YoY:** fell to 4.86%, compared to 5.33% last month.
- **U.S. Core Consumer Price Index MoM:** fell to 0.16%, compared to 0.44% last month.
- **U.S. Inflation Rate:** fell to 2.97%, compared to 4.05% last month.

Eurozone Summary:

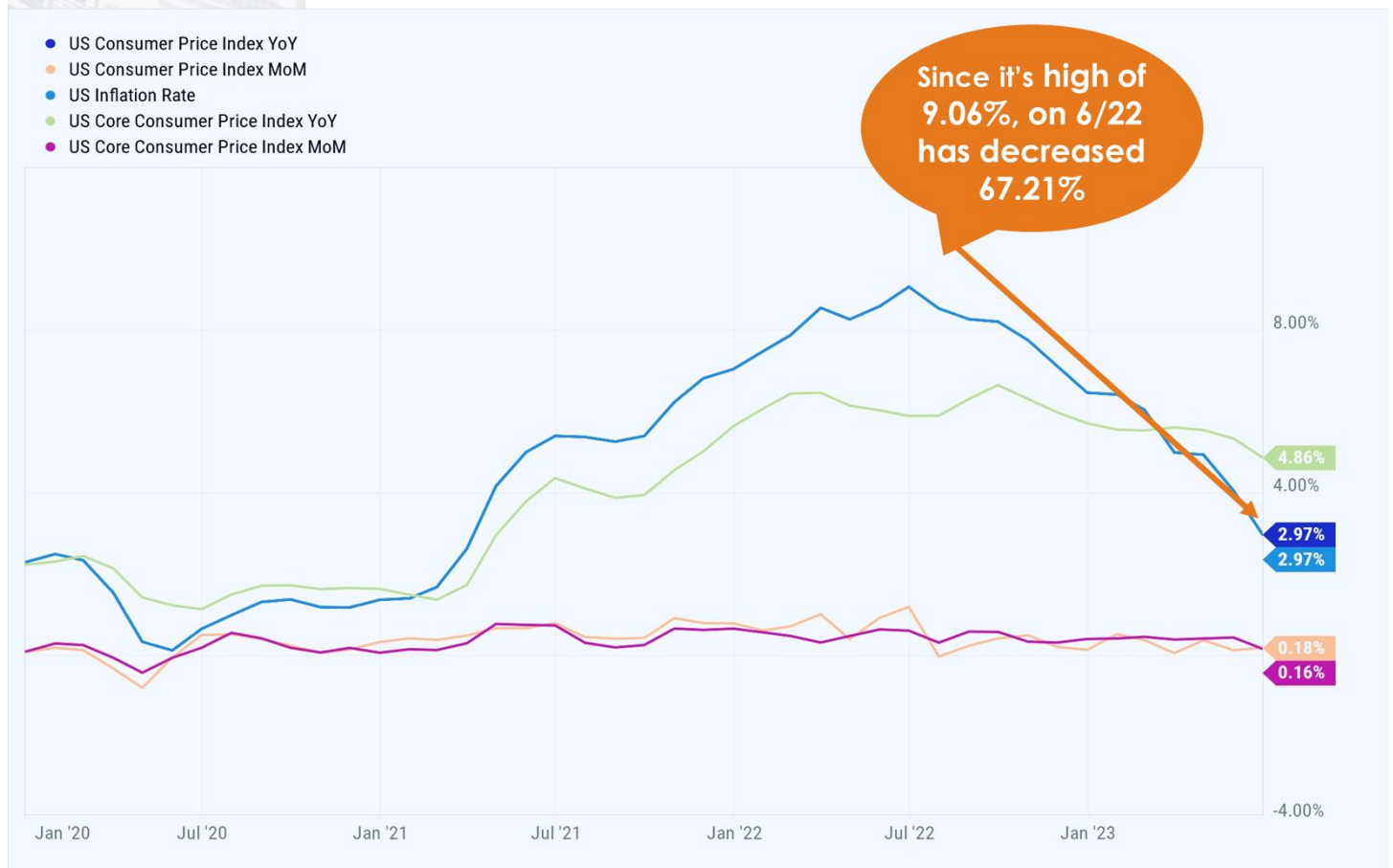
- **Stoxx 600** closed at 458.58, up 6.86 points or 1.52%.
- **FTSE 100** closed at 7,416.11, up 133.59 points or 1.83%.
- **Dax Index** closed at 16,023.00, up 232.66 points or 1.47%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,347.43, up 86.01 points or 0.25%.
- **S&P 500** closed at 4,472.16, up 32.90 points or 0.74%.
- **Nasdaq Composite** closed at 13,918.96, up 158.26 points or 1.15%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,635.11, up 27.03 points or 1.04%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,732.60, up 54.88 points or 1.49%.
- **U.S. Treasury 10-year note** closed at 3.86%.
- **U.S. Treasury 2-year note** closed at 4.72%.



US Consumer Price Index, US Core CPI & US Inflation Rate





Wall Street Recap July 12, 2023



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