



Fed Holds Steady, Dow Jones and S&P 500 Near Peaks Markets React.

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The U.S. and European stock markets closed the session with mixed results following the Federal Reserve FOMC meeting, which left rates unchanged.

Both the Dow Jones and S&P 500 are hovering near record highs, boosted by Tuesday's gains, which have propelled U.S. stocks upwards by over 8% since the beginning of the year. Interest rates have dipped slightly, with the 10-year Treasury yield below 4.3%. Recent weeks have seen a notable uptick in rates, fueled by inflation data surpassing expectations, prompting adjustments in market forecasts regarding the timing and scale of potential Fed rate adjustments throughout the year.

All eyes were on the Fed today, as its latest meeting was the main event. As anticipated, the Fed kept the interest rates unchanged.

Chair Powell's press conference emphasized the importance of confirming the trajectory of inflation, the importance of confirming the trajectory of inflation and kept form its 2% target.

While a summer rate cut remains the most probable scenario, ongoing data reflecting persistent inflation or tightening labor market conditions could challenge expectations for a consistent easing cycle in the latter half of 2024.

Despite uncertainties surrounding the timing of rate adjustments, the overarching trajectory suggests the Fed's gradual monetary policy easing. This, coupled with sustained economic growth and improving corporate earnings, is expected to provide underlying support for the bull market throughout the year. While occasional pauses in the market's upward trajectory may occur, long-term investor sentiment is bolstered by this outlook.

Assessing performance so far this year, markets have generally fared well, continuing the momentum from last October. U.S. large-cap stocks have led the pack, recording gains of over 8%, with growth-focused sectors outpacing value-oriented ones. International developed-market equities and mid-cap stocks follow closely, posting gains of 4%-5%. In contrast, small-cap and emerging-market equities have seen modest increases, with the latter facing challenges from decelerating growth in China. In the fixed-income sphere, rising interest rates have tempered bond returns after a solid start to the year, with high-yield bonds outperforming investment-grade bonds. Delving deeper, the technology and communication services sectors have been standout performers, registering double-digit growth, trailed by solid gains from the energy, financial, and industrial sectors. Conversely, utilities and real estate have lagged in 2024 and over the past year. This underscores the importance of diversification, with broader market and asset-class leadership expected to evolve beyond mega-cap technology companies as the bull market progresses.

GDPNow:

- GDPNow for the first quarter of 2024 fell to 2.10%, down from 2.30% and decreasing by 9.50%.

Key Economic Data:

- **Target Federal Funds Rate Upper Limit:** is unchanged at 5.50%, higher than the long-term average of 2.62%.
- **Eurozone Consumer Confidence Indicator:** improved to -15.50, up from -16.10 last month.
- **Eurozone Economic Sentiment Indicator:** fell to 95.40, down from 96.10 last month.
- **Germany Producer Price Index YoY:** is at -4.10%, compared to -4.40% last month.
- **U.K. Consumer Price Index YoY:** fell to 3.40%, compared to 4.00% last month.
- **U.K. Core Consumer Price Index YoY:** fell to 4.49%, compared to 5.04% last month.
- **U.K. Producer Price Index: Output YoY:** rose to 0.37%, compared to -0.29% last month.
- **U.K. Producer Price Index: Input YoY:** is at -2.70%, compared to -2.75% last month.
- **U.K. Average House Price YoY** is at -0.62%, compared to -2.16% last month.

Eurozone Summary:

- **Stoxx 600** closed at 505.21, down 0.02 points or 0.00%.
- **FTSE 100** closed at 7,737.38, down 0.92 points or 0.01%.
- **Dax Index** closed at 18,015.13, up 27.64 points or 0.15%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 39,512.13, up 401.37 points or 1.03%.
- **S&P 500** closed at 5,224.62, up 46.11 points or 0.89%.
- **Nasdaq Composite closed** at 16,369.41, up 202.62 points or 1.25%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,241.99, up 3.60 points or 0.11%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,731.69, up 10.31 points or 0.22%.
- **U.S. Treasury 10-year note** closed at 4.27%.
- **U.S. Treasury 2-year note** closed at 5.47%.



GDPNow 1Q24

Date	GDPNow 1Q24	Change
1/26/24	3.00%	Initial Forecast
2/8/24	3.40%	13.3%
2/16/24	2.90%	-17.2%
2/29/24	3.00%	3.3%
3/1/24	2.10%	30.0%
3/6/24	2.50%	16.0%
3/7/24	2.50%	0.0%
3/14/24	2.30%	-8.7%
3/19/24	2.10%	-9.5%

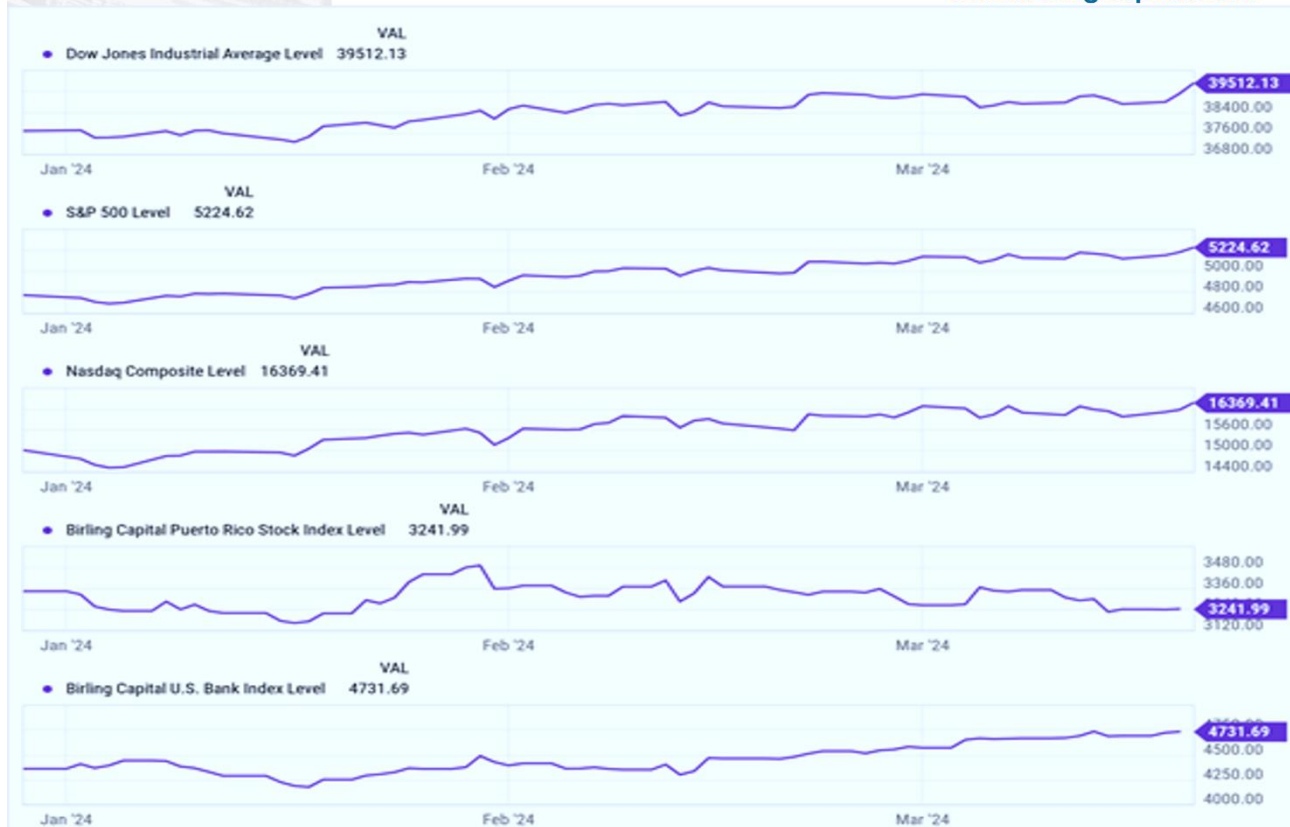
EU Economic Sentimen, EU Consumer Sentiment, Germany PPI,UK CPI, UK Core CPI, UK PPI

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● Eurozone Economic Sentiment Indicator (I:EESI)	95.40
● Eurozone Consumer Confidence Indicator (I:ECCISM)	-15.50
● Germany Producer Price Index YoY (I:GCPPPIUM)	-4.10%
● UK Consumer Price Index YoY (I:UKCCXRBU)	3.40%
● UK Core Consumer Price Index YoY (I:UKCCPIYY)	4.49%
● UK Producer Price Index: Output YoY (I:UKPPIOYY)	0.37%
● UK Industrial Production Index YoY (I:UKCIPIP)	0.50%





Wall Street Recap March 20, 2024



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