



Wall Street falls, European Confidence Rises, Tesla and Krispy Kreme Surge.

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The U.S. and European stock markets closed with mixed results as Wall Street recorded its third consecutive negative trading session. With the S&P 500 experiencing a marginal 0.3% downturn throughout the day's trading session, the healthcare sector emerged as the standout performer, marking a commendable uptick of approximately 0.3%. Out of the 11 sectors we highlight, the top five ranked by YTD returns:

1. Communication Services with 12.22%.
2. Energy with 11.24%.
3. Financial Services with 9.73%.
4. Industrials with 9.13%.
5. Technology with 8.33%.

Real Estate is the only sector with a negative return of -3.97%.

However, a diverse array of stocks surged on Tuesday. Tesla led the charge with a nearly 3.24% gain, marking a notable turnaround for the electric vehicle giant after a lackluster performance earlier this year. Seagate Technology saw a robust uptick of about 7.37% following Morgan Stanley's upgrade to overweight, driven by optimism surrounding artificial intelligence. Krispy Kreme witnessed an impressive 39.36% rally after unveiling plans to expand its partnership with McDonald's; in its latest strategic move aimed at enticing patrons for breakfast and all-day snacking, the renowned burger giant is set to incorporate Krispy Kreme's delectable pastries into its offerings. The collaboration announced in a joint statement on Tuesday, reveals plans to introduce Krispy Kreme's sugary delights at select McDonald's locations later this year, with a projected nationwide expansion anticipated by the conclusion of 2026.

Meanwhile, Europe, buoyed by an encouraging consumer-confidence report from Germany, recorded strong gains.

On the economic front, February saw a 1.37% increase in durable goods new orders, rebounding from two consecutive months of declines. Now, the attention shifts to March's consumer confidence figures due on March 28, which are expected to hold steady compared to February and the Fed's preferred inflation benchmark **on March 29**, the Personal Consumption Expenditure (PCE) index; currently, the Inflation Nowcasting for the PCE is at 2.45%. Our outlook suggests a gradual decline in inflation towards 2.5% throughout the year, possibly supported by easing shelter costs and slowing wage growth. Housing costs, a persistent inflationary factor, saw a 6.1% increase in January. However, recent indicators hint at a potential moderation in shelter inflation, although the journey downward may encounter hurdles.

The Treasury yields show little movement, with the 10-year yield closing at 4.24%.

Value stocks have gained 3.8% in the past month, outpacing growth stocks' 2.4% increase. Looking ahead, we anticipate a more balanced performance between growth and value stocks, with potential catalysts including easing inflation, possible interest rate cuts by the Fed around midyear, and improved earnings in value-style equities.

Key Economic Data:

- **US Durable Goods New Orders MoM:** rose to 1.37%, compared to -6.95% last month.
- **Case-Shiller Composite 20 Home Price Index YoY:** rose to 6.18%, compared to 5.46% last month.
- **Case-Shiller Home Price Index: National:** rose to 314.26, up from 313.65 last month, an increase of 0.19% from last month.
- **Richmond Fed Manufacturing Index:** is at -5.00, up from -15.00 last month.

Eurozone Summary:

- **Stoxx 600** closed at 511.09, up 1.23 points or 0.24%.
- **FTSE 100** closed at 7,930.96, up 13.39 points or 0.17%.
- **Dax Index** closed at 18,384.35, up 123.04 points or 0.67%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 39,282.33, down 31.31 points or 0.08%.
- **S&P 500** closed at 5,203.58, down 14.61 points or 0.28%.
- **Nasdaq Composite** closed at 16,315.70, down 68.77 points or 0.42%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,327.76, up 22.53 points or 0.68%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,835.25, down 26.17 points or 0.54%.
- **U.S. Treasury 10-year note** closed at 4.24%.
- **U.S. Treasury 2-year note** closed at 4.56%.



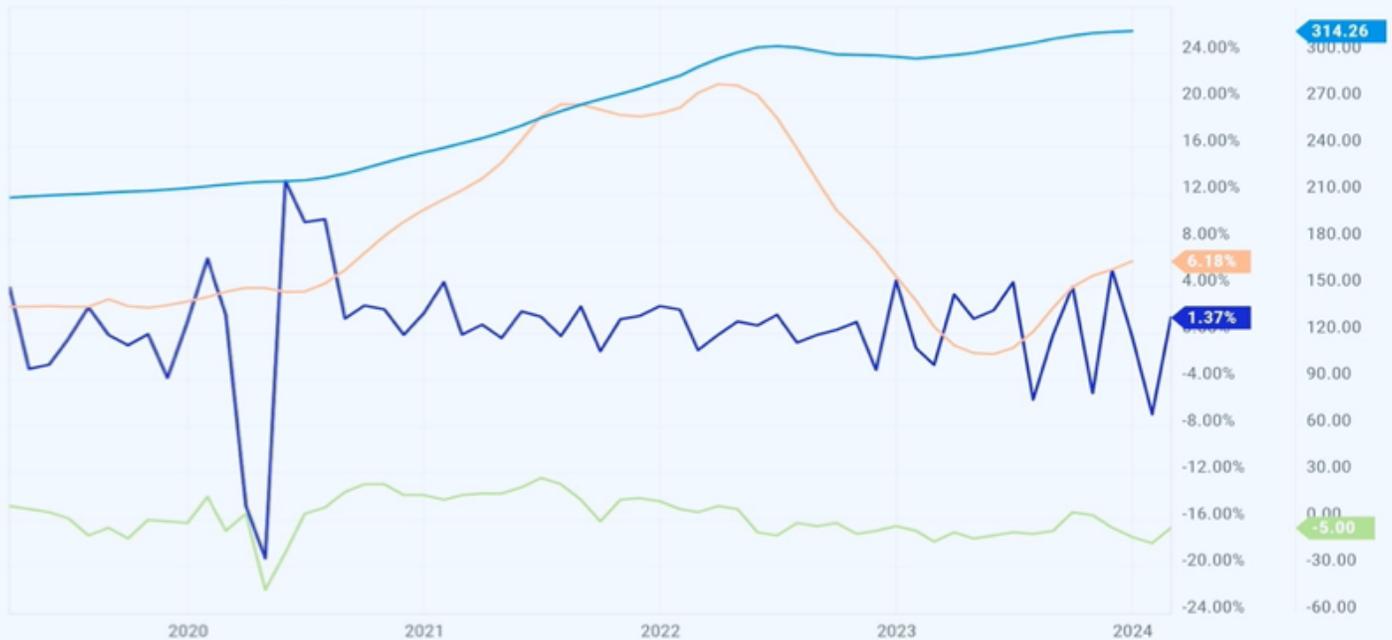
Inflation Nowcasting

Inflation Nowcasting

Month	PCE	Core PCE	Updated
February	2.45%	2.78%	26-Mar

US Durable Goods New Orders, Case-Schiller Composite 20 Home Price Index, Case-Shiller Home Price Index & Richmond Fed Manufacturing Index

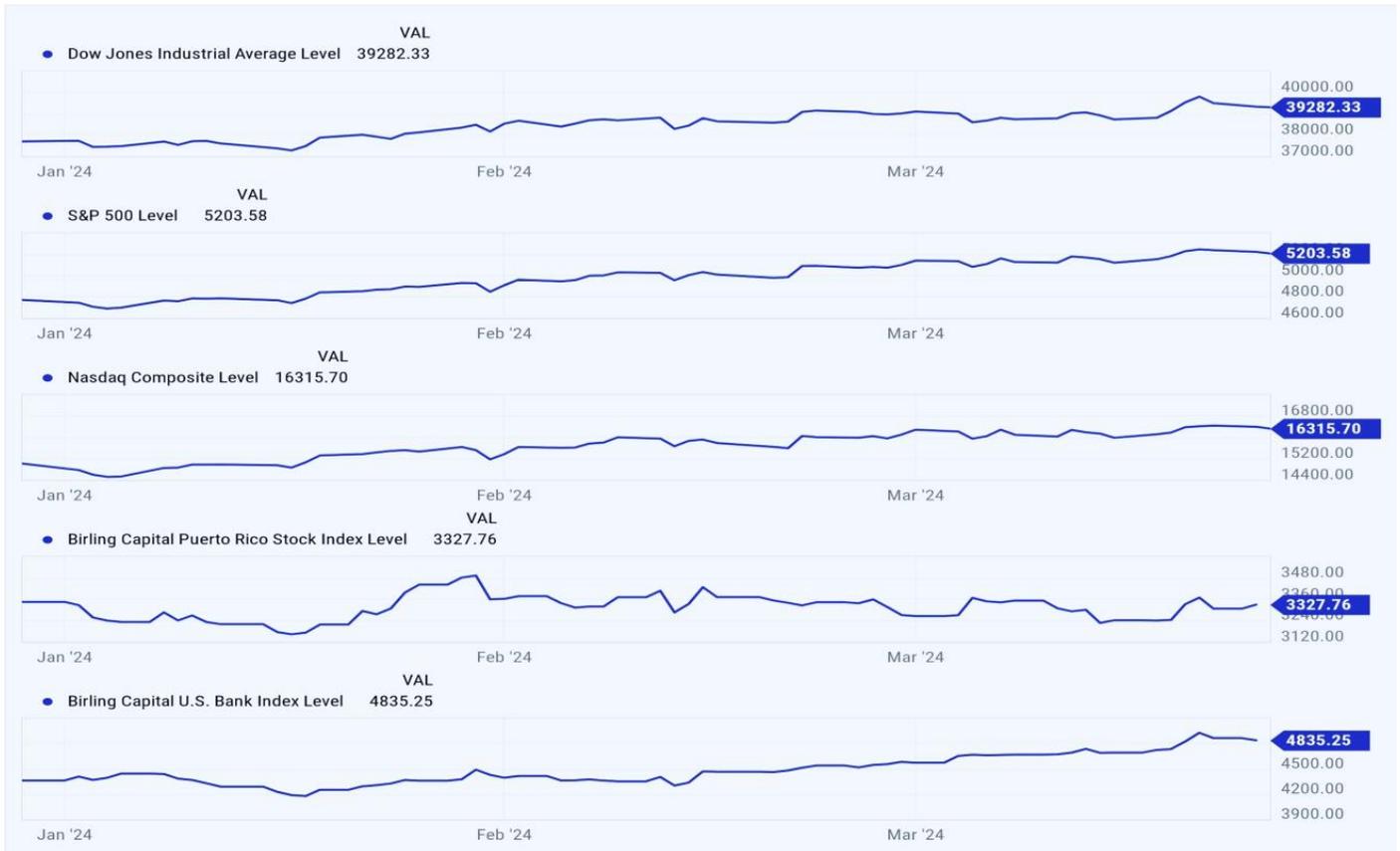
	VAL
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● Case-Shiller Composite 20 Home Price Index YoY	6.18%
● Case-Shiller Home Price Index: National	314.26
● Richmond Fed Manufacturing Index	-5.00





Wall Street Recap

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