

The Federal Reserve Economic Data reports that bank deposits are down close to 5% year-over-year, the Producer Price Index Falls to 2.34%, and Wall Street closed mixed.

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The U.S. and European stock markets closed the session with mixed results as the Producer Price Index reading fell to 2.34%, beating estimates with another signal that inflation is indeed on its way down; however, the good news was quickly upstaged at the regional bank crisis flared up again following Pacific West Bank (PACW) disclosure in a regulatory filing that deposits fell by 9.5% during the week ended May 5, the disclosure renewed the crisis and saw its stock fall more than 21%. We decided to look at all commercial banks using Federal Reserve Economic Data (FRED) and noted that deposits are down close to 5% year-over-year.

In Europe, markets were broadly down following the direction of the U.S. markets, and with the Bank of England raising rates by 25 basis points to curtail its high inflation, which was still in the double digits at 10.10%.

What's Next? With Debt Ceiling Negotiations, Global growth in question, and high-interest rates impacting the markets, the volatility shall continue until some of the issues begin to get fixed; the good news is that as inflation trends downwards, it becomes almost certain that the Fed may need to increase rates any further, for now.

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** rose to 264,000, up from 242,000 last week, increasing 9.09%.
- U.S. Producer Price Index YoY: fell to 2.34%, compared to 2.70% last month.
- U.S. Producer Price Index MoM: rose to 0.23%, compared to -0.37% last month.
- U.S. Core Producer Price Index MoM: rose to 0.24%, compared to 0.00% last month.
- **30-Year Mortgage Rate:** fell to 6.39%, compared to 6.43% last week.
- Bank of England Bank Rate: rose to 4.50%, compared to 4.25% yesterday.

Puerto Rico COVID-19 Update:

Daily Cases: 123

Hospitalizations: 130

• Deaths: 3

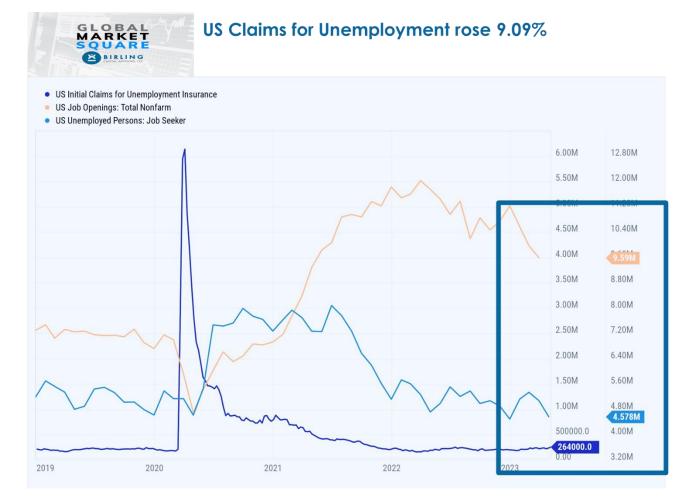
Source P R. Department of Health.

Eurozone Summary:

- Stoxx 600 closed at 463.34, down 0.30 points or 0.065%.
- FTSE 100 closed at 7,730.58, down 10.75 points or 0.14%.
- Dax Index closed at 15,834.91, down 61.32 points or 0.39%.

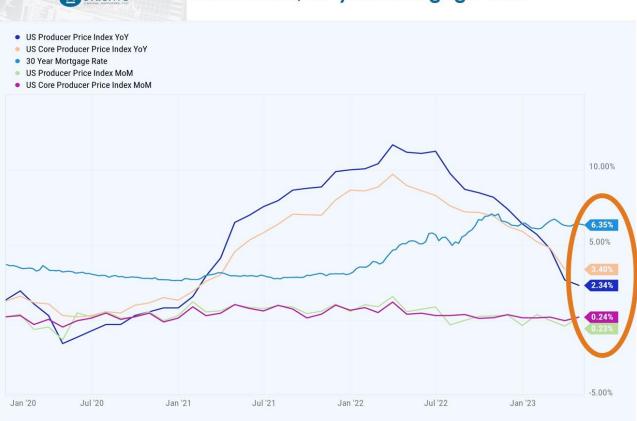
Wall Street Summary:

- Dow Jones Industrial Average closed at 33,309.51, down 221.82 or 0.66%.
- S&P 500 closed at 4,130.62, down 7.02 points or 0.17%.
- Nasdaq Composite closed at 12,328.51, up 22.06 points or 0.18%.
- Birling Capital Puerto Rico Stock Index closed at 2,292.14, down 4.59 points or 0.20%.
- Birling Capital U.S. Bank Stock Index closed at 3,558.51, down 21.41 points or 0.60%.
- U.S. Treasury 10-year note closed at 3.39%.
- U.S. Treasury 2-year note closed at 3.89%.





US Producer Price Index, US Core Producer Price Index, 30-year Mortgage Rate





Wall Street Recap May 11, 2023





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