



## GLOBAL MARKET SQUARE



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The Debt Ceiling Negotiations paralyze Wall Street. Should the U.S. default, it could deliver the economy a \$2.647 trillion hit.

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The U.S. & European stock markets began the week timidly closing with mixed results as the market participants are on a holding pattern over the Debt Ceiling negotiations with the expectation of news of a new meeting between President Biden and House Speaker McCarthy unfolds. Its outcome can determine the path of the talks.

Should the talks fall apart, it would take the United States so much closer to default on its debt due to being unable to raise the debt ceiling; we discuss some potential impacts:

- **GDP Impact:** A default would substantially impact GDP as little as 2% or \$52.94 billion to as high as 10% or \$2.647 trillion.
- **U.S. Financial Markets:** The U.S. financial markets, including stock and bond markets, would likely experience significant volatility and turmoil.
- **Global Financial Markets:** A U.S. debt default would erode confidence as the U.S. Treasury bonds are considered one of the safest investments in the world, and many international investors hold them as a part of their portfolios.
- **U.S. Dollar:** As the world's reserve currency, it would face significant pressure.
- **Global Economic Contraction:** A US default could push many developed countries into a worldwide economic downturn.
- **Confidence and Reputation:** A default would severely damage the reputation and creditworthiness of the U.S. government, undermining confidence in the U.S. Economy and its financial instruments.

### JP Morgan Chase Investor Day:

Today JP Morgan Chase (JPM) held its annual investor day with presentations from all the key business areas of the bank that included:

- Global Technology
- Consumer & Community Banking
- Corporate & Investment Bank
- Commercial Banking
- Asset & Wealth Management
- Closing Remarks and Q&A Jamie Dimon

The bank raised its 2023 net interest income target to \$84 billion, a 3.70% increase from \$81 billion because of its deal with First Republic.

The bank also said that in 2023 its new initiatives spending would reach \$15.7 billion, which investments in technology, marketing, and hiring, a 14.60% or \$2 billion more than in 2022. Finally, the question of Jaime Dimon's succession plan came up during the Q&A, to which Mr. Dimon stated I would be CEO for 3 1/2 more years as planned. The stock closed down at \$138.05, down \$1.13.

We include a one-page report on JP Morgan Chase for your review. To access the report, click here: [JPMorganChase.Report.05.22.2023.pdf \(birlingcapital.com\)](https://www.birlingcapital.com/JP Morgan Chase.Report.05.22.2023.pdf)

### Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.647, up from \$3.644 last week, increasing 0.08%.
- **Eurozone Consumer Confidence Indicator:** is at -17.50, up from -19.10 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 99.30, up from 99.20 last month, increasing 0.10%.

### Eurozone Summary:

- **Stoxx 600** closed at 468.90, up 0.050 points or 0.011%.
- **FTSE 100** closed at 7,770.99, up 14.12 points or 0.18%.
- **Dax Index** closed at 16,223.99, up 51.39 points or 0.32%.

### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,286.58, down 140.08 or 0.42%.
- **S&P 500** closed at 4,192.63, up 0.66 points or 0.02%.
- **Nasdaq Composite** closed at 12,720.78, up 62.88 points or 0.50%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,390.03, up 32.91 points or 1.36%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,602.42, down 42.49 points or 1.17%.
- **U.S. Treasury 10-year note** closed at 3.72%.
- **U.S. Treasury 2-year note** closed at 4.29%.



# US Retail Gas Price, Eurozone Consumer Confidence Indicator & Eurozone Economic Sentiment Indicator





## Dow Jones Industrial Average, S&P 500, Nasdaq Composite, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns





## Wall Street Recap

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