

## The Fed's preferred inflation rate fell more than expected to 3.01%, 57.72% below its high, Dow Hits 2023 High, Fed Rate Cut Speculation Grows.

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The U.S. and European stock markets closed the session with mixed results, even with better-than-expected personal consumption expenditure readings that beat the Inflation Nowcast and all other estimates. The results made the Dow Jones Industrial Average rally 520.47 points, reaching a new 2023 high; the S&P 500 also moved higher, up 0.38%, while the Nasdaq closed down 0.23%.

The PCE fell to 3.01% from 3.42% last month, a -11.58% decrease, and a 57.42% decrease since its high in June 2022; the Core PCE also fell to 3.46% from 3.65% last month, a 5.20% decrease, and 36.74% decrease since its high. The Core PCE is now well below the Federal Reserve Bank's projections for 2023, which pointed to a Core PCE of 3.70% during its September meeting. The markets are now pricing out any further Fed rate increases, and the narrative for rate cuts is moving toward the first half of 2024.

Also, today, the Initial Unemployment Claims rose to 218,000, up 3.32%, with continuing jobless claims rising to 1,927,000 for the week ending 11/17, above expectations and the highest reading since November 2021. Even as the labor markets show signs of moderation, initial and continuing claims remain well below their 30-year averages; however, the higher continuing claims indicate that the deficit between Job openings and Job Seekers may begin to seek balance.

### Key Economic Data:

- **U.S. PCE Price Index YoY:** fell to 3.01%, compared to 3.42% last month.
- **U.S. Core PCE Price Index YoY:** fell to 3.46%, compared to 3.65% last month.
- **U.S. Initial Claims for Unemployment Insurance:** rose to 218,000, up from 211,000 last week, increasing 3.32%.
- **U.S. Pending Home Sales YoY:** is at -8.46%, compared to -11.15% last month.
- **U.S. Personal Income MoM:** fell to 0.25%, compared to 0.42% last month.
- **U.S. Personal Spending MoM:** fell to 0.22%, compared to 0.71% last month.
- **30-Year Mortgage Rate:** fell to 7.22%, compared to 7.29% last week.
- **Canada Real GDP QoQ:** fell to -1.06%, compared to 1.36% last quarter.
- **Eurozone Unemployment Rate:** is unchanged at 6.50%, compared to 6.50% last month.
- **Germany Real Retail Sales YoY:** is at -0.10%, compared to -3.90% last month.
- **Germany Unemployment Rate:** fell to 5.60%, compared to 5.70% last month.
- **Japan Housing Starts YoY:** fell -6.29%, compared to -6.84% last month.

### Eurozone Summary:

- Stoxx 600 closed at 461.61, up 2.51 points or 0.55%.
- FTSE 100 closed at 7,453.75, up 30.29 points or 0.41%.
- Dax Index closed at 16,215.43, up 48.98 points or 0.30%.

### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 35,650.89, up 520.47 points or 1.47%.
- **S&P 500** closed at 4,567.80, up 17.22 points or 0.38%.
- **Nasdaq Composite** closed at 14,226.22, down 32.27 points or 0.23%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,975.82, up 14.22 points or 0.48%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,850.91, up 62.27 points or 1.64%.
- **U.S. Treasury 10-year note** closed at 4.37%.
- **U.S. Treasury 2-year note market** closed at 4.73%.



## PCE and Core PCE Forecast vs. Actual

Index	PCE Forecast	PCE Actual	Change	Core PCE Forecast	Core PCE Actual	Change
October	3.09%	3.01%	-2.59%	3.55%	3.46%	-2.54%

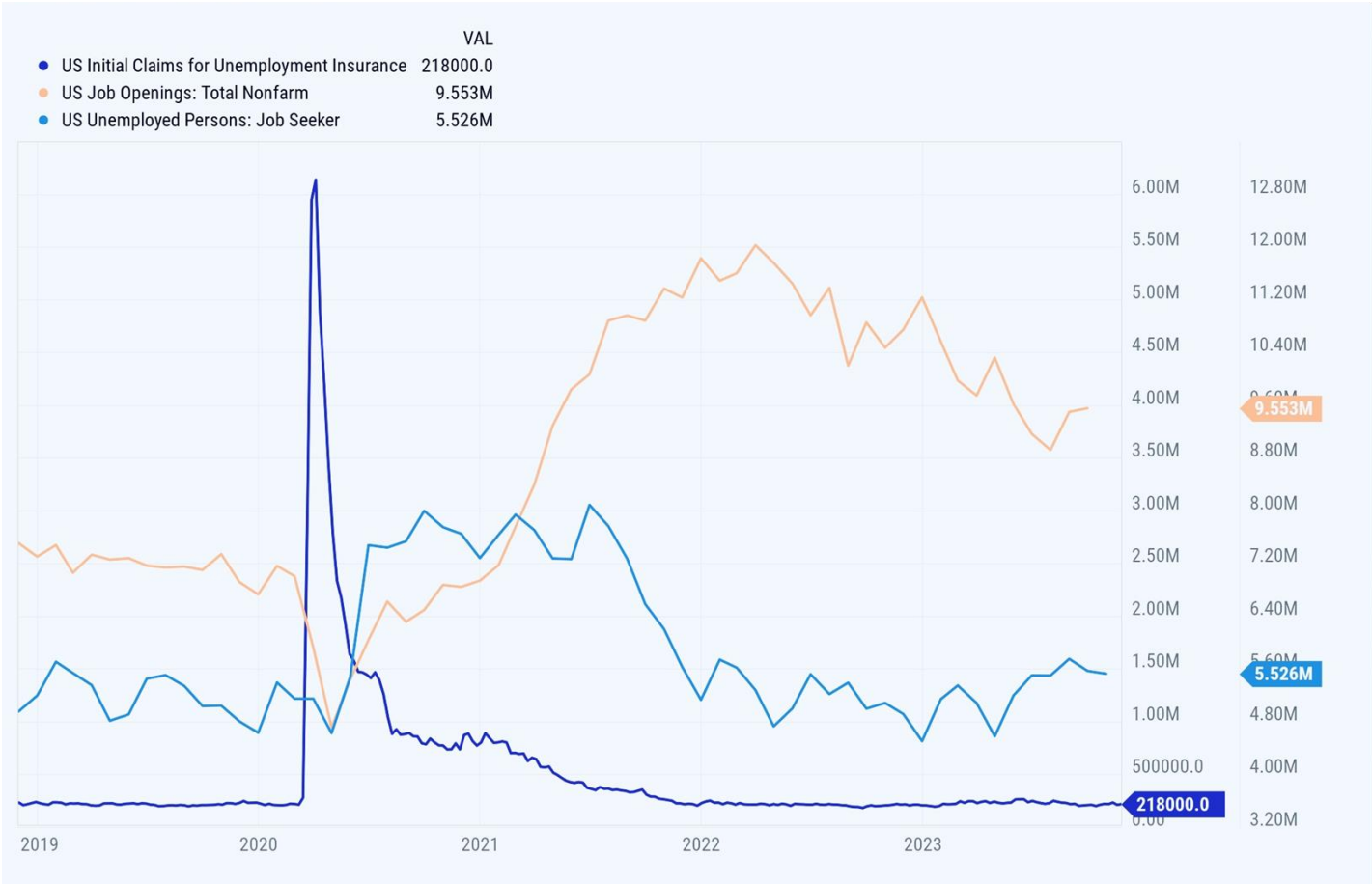


# US PCE YoY, US Core PCE, US Personal Sprnding, US Personal Income & US Pending Home Sales



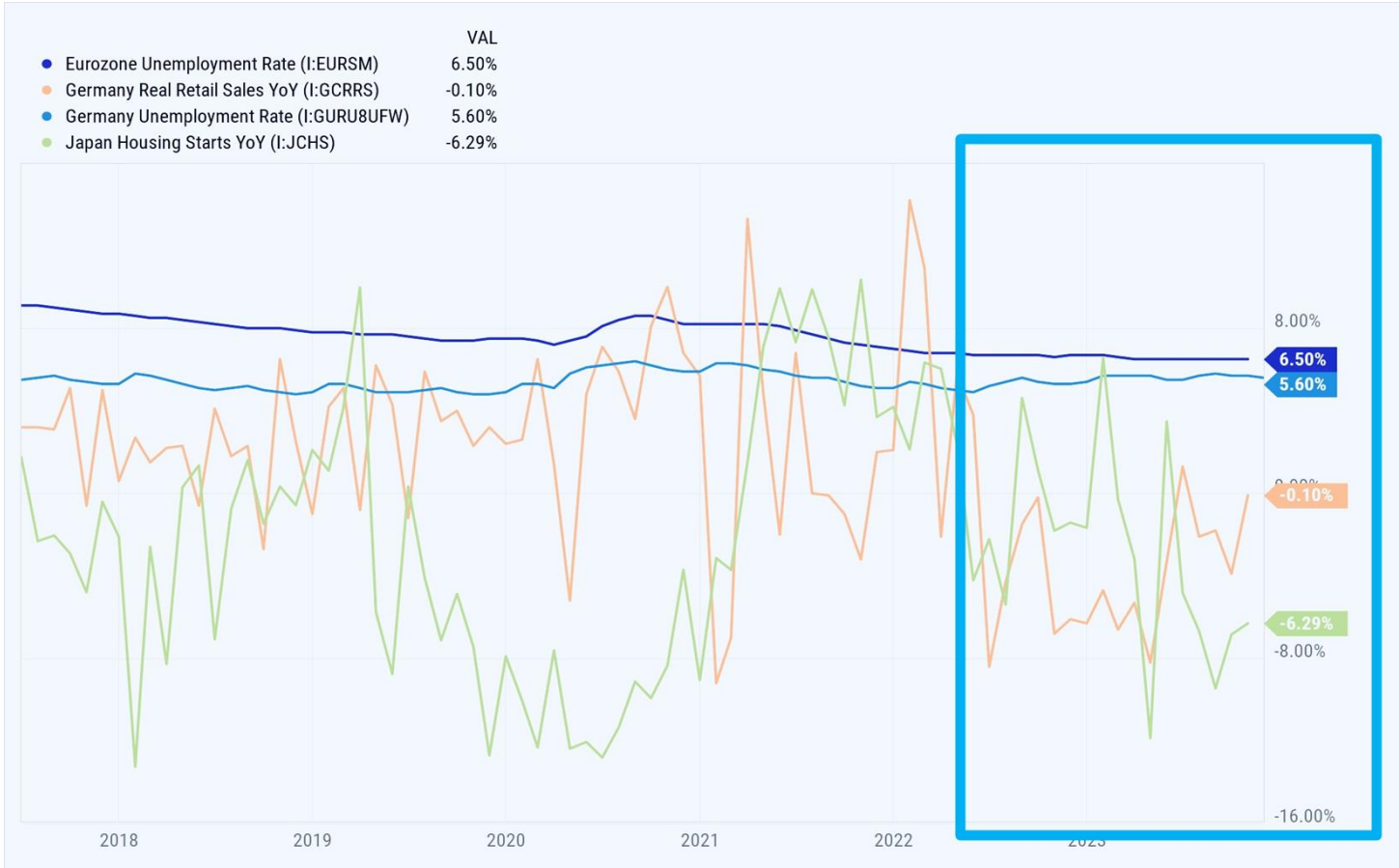


# US Initial Claims for Unemployment fell to 218,000, up 3.32%





# EU Unemployment Rate, Germany Retail Sales, Germany Unemployment Rate & Japan Housing Starts

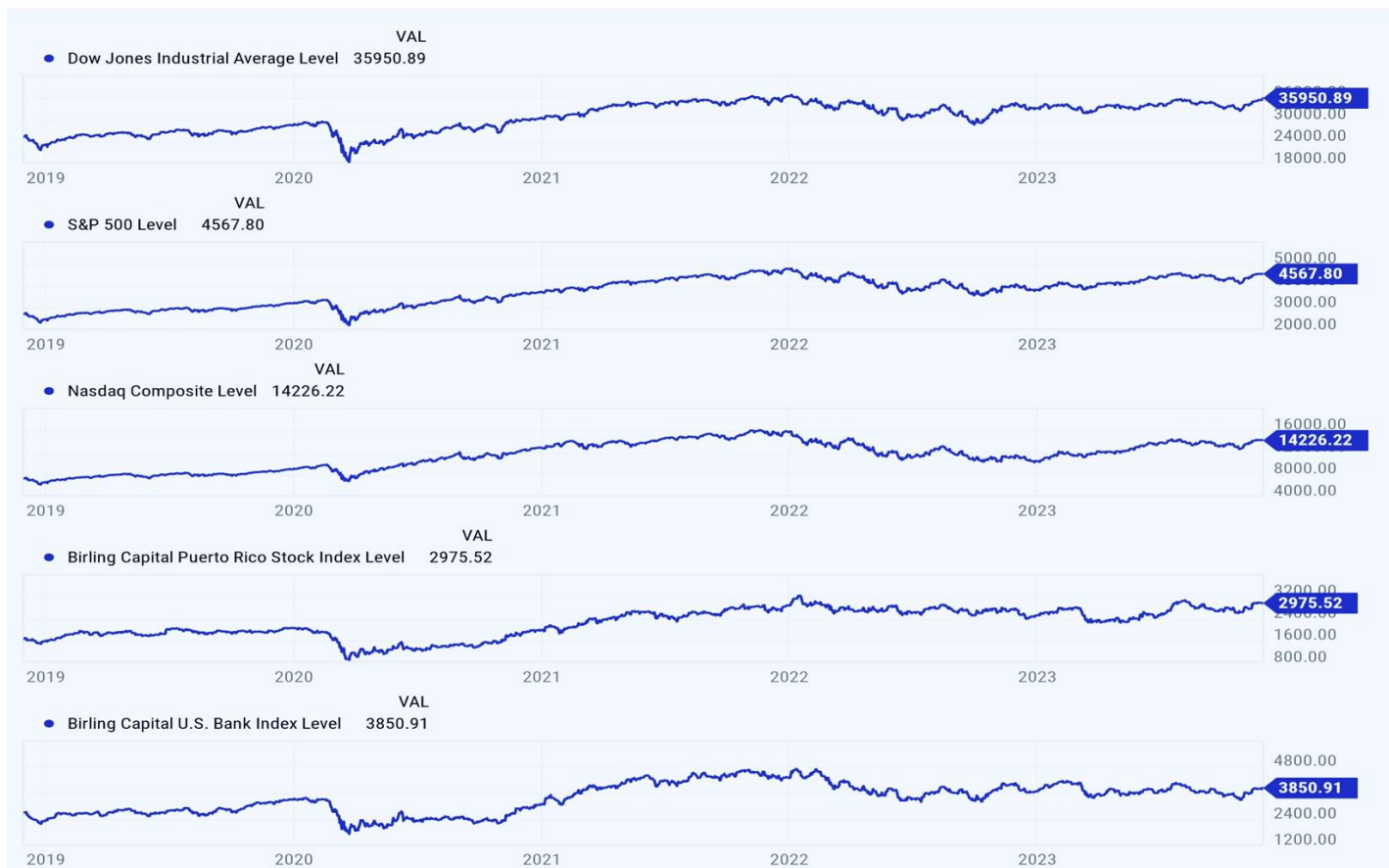




# Wall Street Recap

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