

Wall Street records the worst week in the last two quarters.

September 22, 2023

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The US and European stock markets closed the week recording the largest weekly loss in the last two quarters, as investors have reacted quite negatively to the recent Fed statements that outlined higher rated for longer and for 2024 two rate cuts instead of the more than four that investors expected. Also, most central banks are raising the flag, stating that investors are prematurely expecting rate cuts while the fight for inflation is not yet over. We have concluded that the Fed is either done or close to be done with rate increases, so the focus should be on the broader economy; having said that, the Fed is regressing its long term GDP growth average to 1.8% GDP with 2% inflation by 2026, both figures that raise concerns and uncertainty.

While Growth may probably decrease its pace, the Latest GDPNow for the third quarter of 2023 is at a robust 4.9% GDP; we shall see who is proven right or wrong. European stocks closed mostly down, with only the FTSE 100 closing up.

Lastly, oil prices closed above \$90, again supported by news that Russia would ban exports of dieseltype fuel and gasoline. Finally, every day that passes the threat of a Government shutdown becomes almost unavoidable as the new fiscal year Rut begins on October 1 and is just 9 days away. Both the House and Senate are too far apart to even approve a stop gap funding bill. The most likely scenario is that both chambers will eventually pass separate bills next week leading to a negotiated partisan bill.

Key Economic Data:

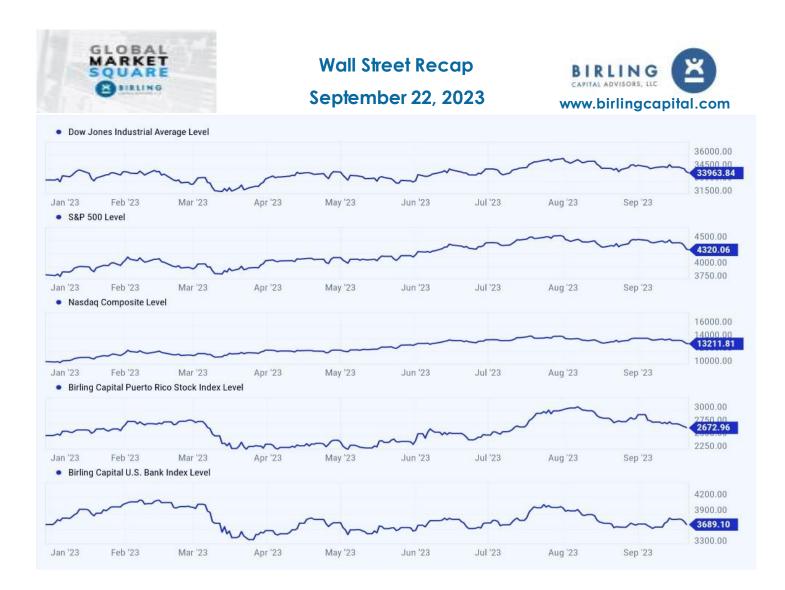
• UK Retail Sales YoY: improved -1.40%, compared to -3.10% last month.

Eurozone Summary:

- Stoxx 600 closed at 453.35, down 1.32 points or 0.29%.
- FTSE 100 closed at 7,683.91, up 5.29 points or 0.069%.
- **Dax Index** closed at 15,527.29, down 14.57 points or 0.094%.

Wall Street Summary:

- Dow Jones Industrial Average closed at 33,963.84, down 106.58 points or 0.31%.
- **S&P 500 c**losed at 4,320.06, down 9.94 points or 0.23%.
- Nasdaq Composite closed at 13,211.81, down 12.18 points or 0.09%.
- Birling Capital Puerto Rico Stock Index closed at 2,672.96, down 21.56 points or 0.80%.
- Birling Capital U.S. Bank Stock Index closed at 3,689.10, down 60.77 points or 1.62%.
- U.S. Treasury 10-year note closed at 4.44%.
- U.S. Treasury 2-year note closed at 5.10%.



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