

# GLOBAL MARKET SQUARE



Fed Chair Powell pledges to continue fighting inflation until it reaches its 2% target, even if the economy slows, takes Wall Street down 1,008 points.

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The U.S. & European stock markets fell sharply to end the week following a highly anticipated speech by Federal Reserve Bank Chair Jerome Powell on the bank's direction to fight inflation.

As Birling Capital anticipated, Mr. Powell stated that the Fed would remain focused on its fight to curb inflation and the Fed Chair said, "**must keep at it until the job is done**," using the Jackson Hole Conference to set the record straight on his inflation stance.

Mr. Powell added that reducing inflation would likely result in slower economic growth for the U.S.

The Fed's preferred inflation benchmark is the Personal Consumption Expenditures Index (PCE), which reported today falling to 6.28%, from 6.77% last month, a decrease of 7.23%, and the Fed will stay firm until inflation reaches its 2% target.

This view from the Fed should not have surprised anyone who reads our Global Market Square publication, as we have consistently stated as much.

## Key Economic Data:

- **U.S. PCE Price Index YoY:** fell to 6.28%, compared to 6.77% last month.
- **U.S. Core PCE Price Index YoY:** fell to 4.56%, compared to 4.81% last month.
- **U.S. Index of Consumer Sentiment:** rose to 58.20, up from 51.50 last month, increasing 13.01%.
- **U.S. Personal Spending MoM:** fell to 0.14%, compared to 0.99% last month.
- **U.S. Personal Income MoM:** fell to 0.22%, compared to 0.67% last month.

## Puerto Rico COVID-19 Update August 26:

- Daily Cases: 404, up 1.23%
- Positivity Rate: 26.66%, down 1.03%
- Hospitalizations: 355, up 1.40%.
- Deaths: 10, up 30%.
- Source Puerto Rico Department of Health.

## Eurozone Summary for August 26:

- Stoxx 600 closed at 426.09, down 7.27 points or 1.68%.
- FTSE 100 closed at 7,427.31, down 52.43 points or 0.70%.
- Dax Index closed at 12,971.47, down 300.49 points or 2.26%.

## Wall Street Summary for August 26:

- Dow Jones Industrial Average closed at 32,283.40, down 1,008.38 points or 3.03%.
- S&P 500 closed at 4,057.66, down 141.46 points or 3.37%.
- Nasdaq Composite closed at 12,141.71, down 497.55 points or 3.94%.
- Birling Capital Puerto Rico Stock index closed at 2,814.70, up 52.58 points or 1.90%.
- The U.S. Treasury 10-year note closed at 3.04%.
- The U.S. Treasury 2-year note closed at 3.37%.



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### U.S. PCE Price Index, U.S. Core PCE, U.S. Index of Consumer Sentiment, U.S. Personal Spending & U.S. Personal Income MoM



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Date	GDPNow Forecast
8/5/2022	2.40%
8/12/2022	2.50%
8/17/2022	1.60%
8/24/2022	1.40%
8/26/2022	1.60%



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# Wall Street Recap August 26, 2022



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