

GLOBAL MARKET SQUARE



Dow Jones Rose 683.04 Points, the SP 500 rose 119.81 points, and the Nasdaq was up 464.21 Points as U.S. Jobless Claims fell 6.80%, and the GDPNow is at 2.90% GDP Signaling a Resilient Economy.

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The U.S. and European stock markets staged a solid comeback, riding on the most recent unemployment claims, which fell 17,000 or 6.80% from the previous week to 233,000, a positive sign for the labor markets. The Dow Jones rose 683.04 Points, the SP 500 rose 119.81 points, and the Nasdaq was up 464.21 Points, recording a solid comeback.

Meanwhile, bond yields continued their upward trajectory, with the 10-year Treasury yield closing at 3.99%. On the global front, Asian markets mostly closed lower as weaker-than-expected trade data from Japan weighed on investor sentiment, while European markets dipped slightly after recent gains. The U.S. dollar strengthened against other major currencies, and in commodities, WTI oil and gold saw an uptick in prices.

Solid Corporate Earnings: A Bright Spot

As the corporate earnings parade continues, some 89% of S&P 500 companies have reported their second-quarter results, and the outcomes have been robust, surpassing analyst expectations. About 78% of these companies have exceeded forecasts, with an average earnings surprise of 2.3%. Year-over-year earnings growth has reached 10.6%, marking the highest rate since the last quarter of 2021. Nine out of eleven sectors have reported increased earnings compared to the previous year.

Jobless Claims Below Forecasts

In labor market news, weekly jobless claims dropped to 233,000, below the anticipated 240,000. This decline offers relief following the July unemployment rate's unexpected rise to 4.3%, which sparked concerns about a potential recession. The recent jobless claims data aligns with the view that the labor market is gradually cooling without a sharp downturn, supporting the "soft landing" scenario for the U.S. economy. This moderation in the labor market, along with softer wage growth, is likely to ease inflationary pressures, keeping the Federal Reserve on course to lower interest rates, and markets are fully pricing in a rate cut by the Fed in September.

GDPNow:

- The GDPNow for the Third Quarter of 2024 was updated on August 8 and is unchanged at 2.90% from 2.90%.

Key Economic Data:

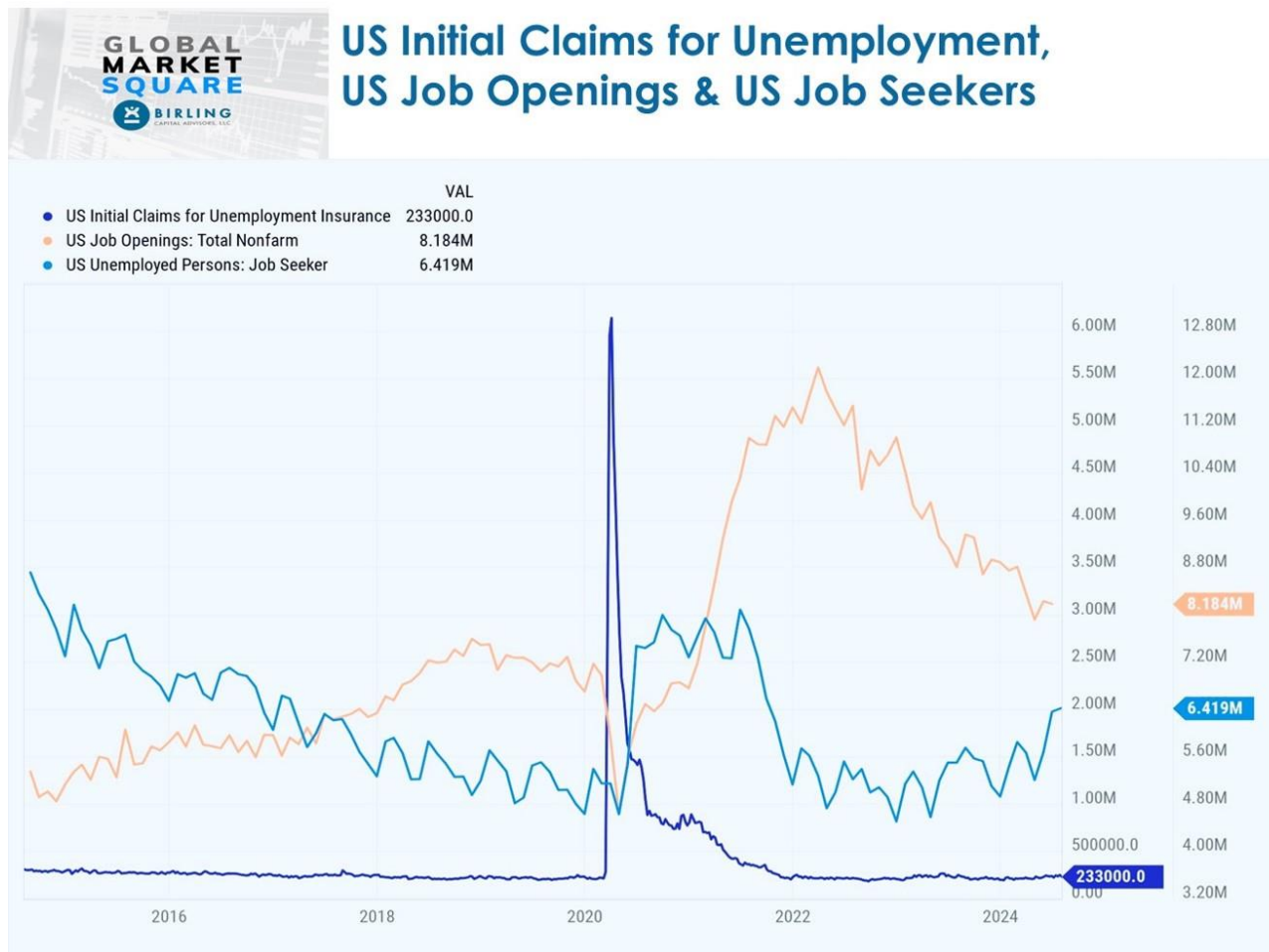
- **U.S. Initial Claims for Unemployment Insurance:** fell to 233,000, down from 250,000 last week, decreasing -6.80%.
- **U.S. Wholesale Inventories MoM:** fell to 0.20%, compared to 0.54% last month.
- **30-Year Mortgage Rate:** fell to 6.73%, compared to 6.78% last week.
- **China Inflation Rate:** fell to 0.20%, compared to 0.30% last month.
- **China Producer Price Index YoY:** is at -0.80%, compared to -1.40% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 496.37, up 0.41 points or 0.083%.
- **FTSE 100:** Closed at 8,144.97, down 21.91 points or 0.27%.
- **DAX Index:** Closed at 17,680.40, up 65.25 points or 0.37%.

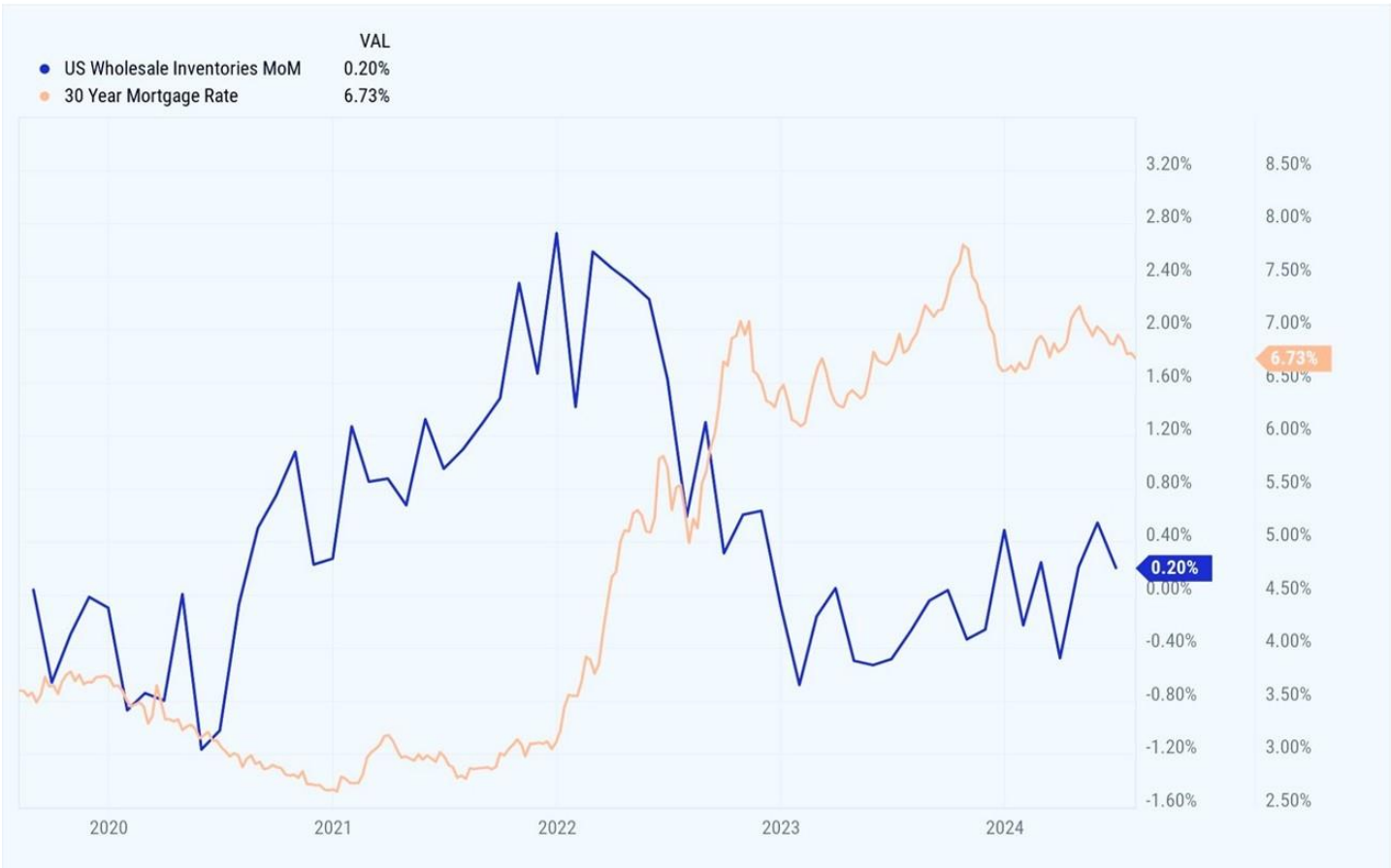
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 39,446.49, up 683.04 points or 1.76%.
- **S&P 500:** closed at 5,319.31, up 119.81 points or 2.30%.
- **Nasdaq Composite:** closed at 16,660.02, up 464.21 points or 2.87%.
- **Birlinging Capital Puerto Rico Stock Index:** closed at 3,581.48, down 20.00 points or 0.56%.
- **Birlinging Capital U.S. Bank Stock Index:** closed at 4,933.12, down 1.20 points or 0.02%.
- **U.S. Treasury 10-year note:** closed at 3.99%.
- **U.S. Treasury 2-year note:** closed at 4.04%.





US Wholesale Inventories, & 30-Year Mortgage Rate





China Inflation Rate & China Producer Price Index



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