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The U.S. and European stock markets ended the week with mixed results following the release of the Fed's preferred inflation metric, the core Personal Consumption Expenditures (PCE) price index, rose to 2.62% YoY in July, slightly below the 2.77% Inflation Nowcasting a -5.41% decrease, but slightly ahead of last month's 2.58%. The PCE rose to 2.50%, some 5.04% ahead of the Inflation Nowcasting of 2.38% and slightly ahead of last month's 2.47%. While still above the Fed's 2% target, the month-over-month increase has remained under 0.2% for three consecutive months, aligning with the Fed's longer-term inflation goals. As inflation shows signs of improvement and the labor market gradually slows, the Fed appears ready to initiate its anticipated rate-cut cycle starting in September. Also, the U.S. Index of Consumer Sentiment showed improvement by rising to 67.90, up 2.26%.

Consumer Spending Outpaces Expectations

Consumer spending surged by 0.5% in July compared to the previous month, surpassing both estimates and June's 0.3% increase, indicating robust consumer resilience. Personal income also saw a 0.3% rise, exceeding forecasts and June's figures. Despite this strong performance, the spending growth outpacing income may not be sustainable, and a gradual pullback in consumption is expected in the coming months. This moderation should still support ongoing economic growth, albeit slower.

Bond yields are trending lower, with the 10-year Treasury yield closing at 3.91%.

Global markets also show positive momentum, with Asian markets closing higher. In the European markets, cautious optimism prevails as investors navigate through a mix of gains and slight declines. The anticipation of interest rate cuts by major central banks drives some positive sentiment. However, the German economy faces challenges that could impact future performance, adding a layer of uncertainty to the market.

Key Economic Data:

- **U.S. PCE Price Index YoY:** rose to 2.50%, compared to 2.47% last month.
- **U.S. Core PCE Price Index YoY:** rose to 2.62%, compared to 2.58% last month.
- **U.S. Index of Consumer Sentiment:** rose to 67.90, up from 66.40 last month, increasing 2.26%.
- **U.S. Personal Income MoM:** rose to 0.31%, compared to 0.20% last month.
- **U.S. Personal Spending MoM:** rose to 0.53%, compared to 0.32% last month.
- **Canada Real GDP QoQ:** rose to 2.14%, compared to 1.76% last quarter.
- **Germany Unemployment Rate:** rose to 6.10%, compared to 6.00% last month.
- **Germany Real Retail Sales YoY:** rose to 1.80%, compared to -1.90% last month.
- **Japan Unemployment Rate:** rose to 2.70%, compared to 2.50% last month.
- **Japan Housing Starts YoY:** is at -0.20%, compared to -6.66% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 525.05, up 0.48 points or 0.09%.
- **FTSE 100:** Closed at 8,376.63, down 3.01 points or 0.04%.
- **DAX Index:** Closed at 18,906.92, down 5.65 points or 0.03%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,563.08, up 228.03 points or 0.55%.
- **S&P 500:** closed at 5,648.40, up 56.44 points or 1.01%.
- **Nasdaq Composite:** closed at 17,713.62, up 197.19 points or 1.13%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,875.12, down 0.99 points or 0.03%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,413.99, up 32.97 points or 0.61%.
- **U.S. Treasury 10-year note:** closed at 3.91%.
- **U.S. Treasury 2-year note:** closed at 3.91%.

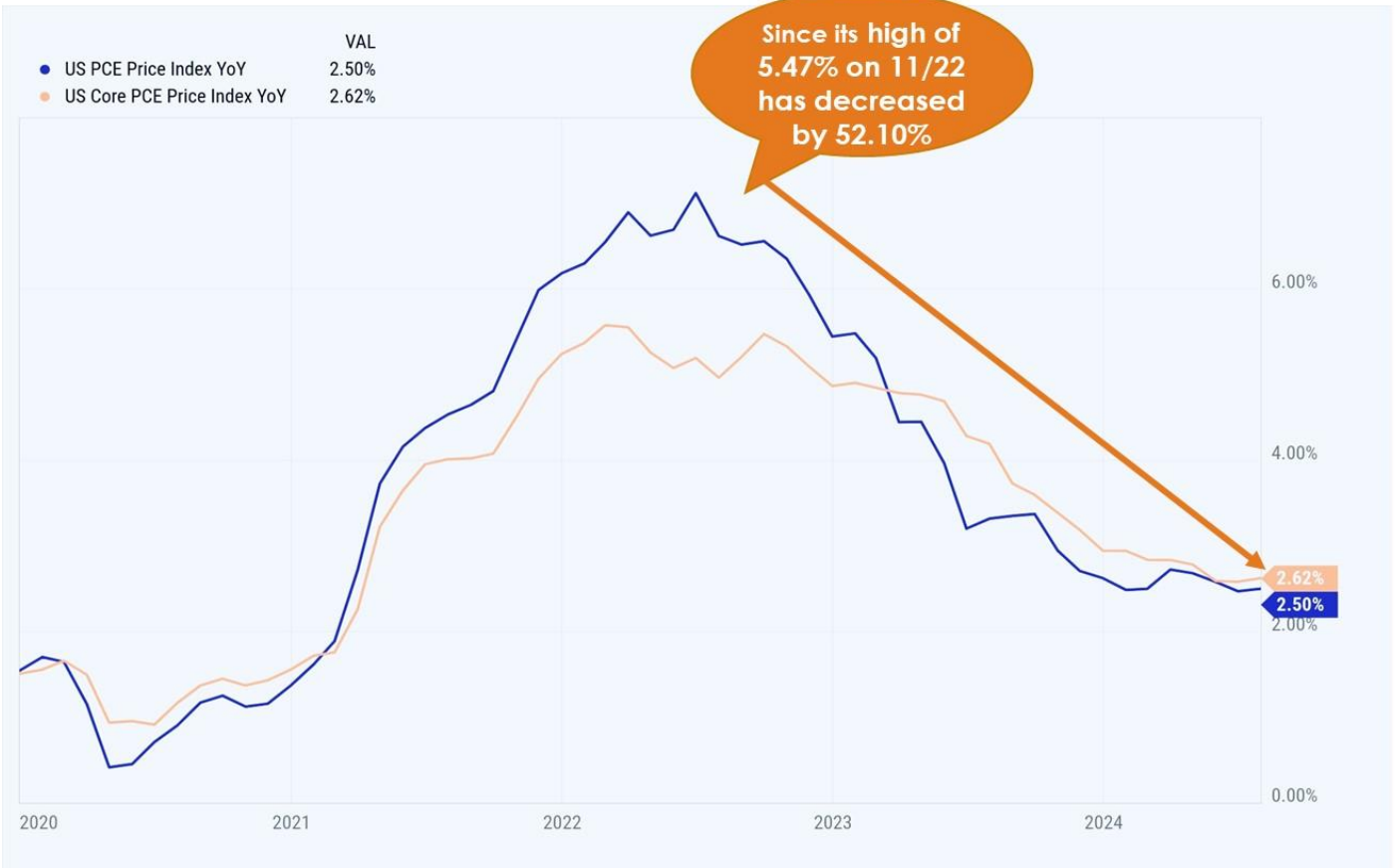


Inflation Nowcasting PCE & Core PCE versus Actual

PCE Forecast	PCE Actual	Change	Core PCE Forecast	Core PCE Actual	Change
2.38%	2.50%	5.04%	2.77%	2.62%	-5.42%

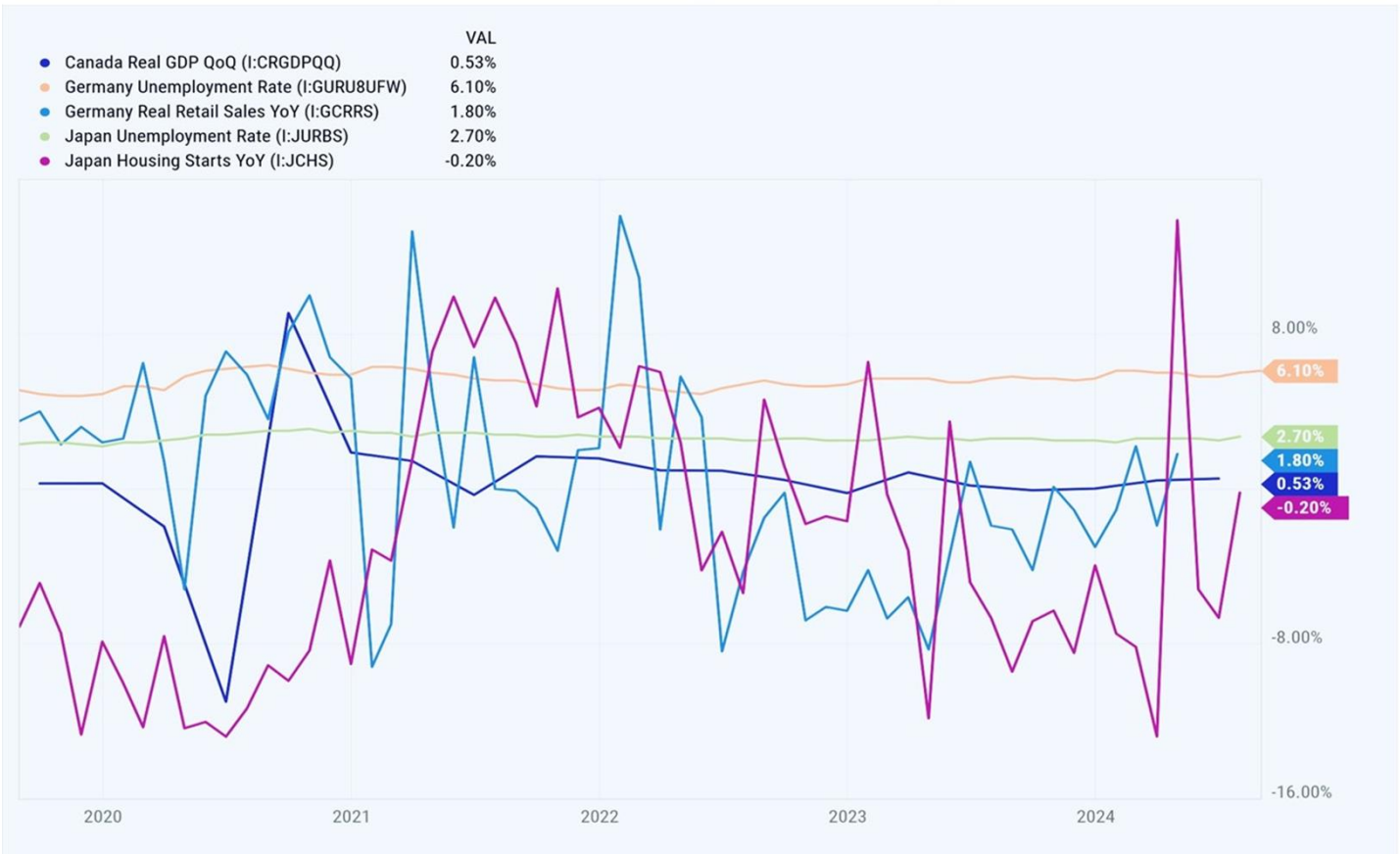


US PCE, & US Core PCE,





Canada GDP, Germany Unemployment Rate, Germany Retail Sales, Japan Unemployment Rate and Japan Housing Starts





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