

# GLOBAL MARKET SQUARE



## US Markets Ease While S&P 500 Eyes Historic Back-to-Back Gains of Over 20%, Birling Puerto Rico Stock Index Banks Shine with Double-Digit Returns.

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In this holiday-shortened week, the US stock markets closed the trading session with mostly losses however the Dow Jones was able to squeeze a small gain. European markets remain closed for the Boxing Day holiday, and Asian markets closed primarily positive overnight.

### Jobless Claims: A Steady Labor Market

Initial jobless claims last week fell to 219,000, slightly better than expectations of 223,000 and marginally lower when compared to the previous week's 220,000. Continuing claims saw a modest uptick to 1.9 million from 1.86 million previously.

For 2024, initial claims have averaged 223,000, nearly identical to the 2023 average of 222,000 and far below the 30-year average of about 370,000. This stability underscores a resilient labor market. While we anticipate a gradual softening in labor conditions over the coming year, the job market will remain robust enough to support consumer spending, helping sustain the economic expansion.

### Stocks Poised for Another Exceptional Year

As of Today's close, the S&P 500 has delivered a total return of over 26.80% in 2024, which follows a 24.23% gain in 2023. If the current momentum holds, it would mark the first time since 1999 that the Index has achieved back-to-back years of returns exceeding 20%.

Historically, when the S&P 500 has posted consecutive annual gains of 20% or more (a total of nine occurrences since 1940), the third year has been positive seven out of nine times, with an average return of 13%. While past performance does not guarantee future results, strong economic fundamentals and healthy corporate earnings set the stage for the current bull market to continue into 2025.

The Birling Capital Puerto Rico Stock Index has delivered a year-to-date (YTD) return of 9.87% as of Today's close, marking a significant deceleration compared to the impressive 32.63% return achieved over the same period last year. The Index is composed of key publicly traded companies that reflect Puerto Rico's economic landscape:

- **Popular, Inc. (BPOP):** YTD return of **15.57%**.
- **First BanCorp. (FBP):** YTD return of **14.29%**.
- **OFG Bancorp. (OFG):** YTD return of **15.45%**.
- **Evertec, Inc. (EVTC):** YTD return of **-15.71%**.

Evertec's negative return of **-15.71%** has acted as a substantial drag on the overall index performance, offsetting some of the substantial gains posted by the financial sector components. Despite this, the Index remains positive, showcasing resilience amid mixed performances across its constituents.

## We highlight the results of the five key indexes:

1. **Dow Jones** closed December 26 with a YTD Return of **14.77%**.
2. **S&P 500** closed December 26 with a YTD Return of **26.80%**.
3. **Nasdaq Composite** closed December 26 with a YTD Return of **33.29%**.
4. **Birling Puerto Rico Stock Index** closed December 26 with a YTD Return of **9.87%**.
5. **Birling US Bank Index** closed December 26 with a YTD Return of **45.58%**.

The Birling Capital outlook expects returns to moderate next year, but we remain optimistic that stocks will end 2025 higher, supported by favorable market conditions and steady consumer demand.

## Key Economic Data:

- **US Initial Claims for Unemployment Insurance:** fell to 219,000, down from 220,000, decreasing - 0.45%.
- **US 4-Week Moving Average of Initial Claims for Unemployment Insurance:** rose 226,500, up from 225,500 last week, increasing to 0.44%.
- **30-Year Mortgage Rate:** rose to 6.72%, compared to 6.60% last week.
- **Japan Unemployment Rate:** rose to 2.50%, compared to 2.40% last month.
- **Japan Industrial Production Index MoM:** rose to 2.76%, compared to 1.60% last month.

## Eurozone Summary: Closed for Boxing Day Holiday

- **Stoxx 600:** Closed for Holiday.
- **FTSE 100:** Closed for Holiday.
- **DAX Index:** Closed for Holiday.

## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,325.80, up 28.77 points or 0.07%.
- **S&P 500:** closed at 6,037.59, down 2.45 points or 2.45%.
- **Nasdaq Composite:** closed at 20,031.13, down 10.77 points or 0.05%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,673.27, up 55.26 points or 1.53%.
- **Birling Capital US Bank Stocks Index:** closed at 6,346.44, up 106.38 points or 1.76%.
- **US Treasury 10-year note:** closed at 4.58%.
- **US Treasury 2-year note:** closed at 4.30%.



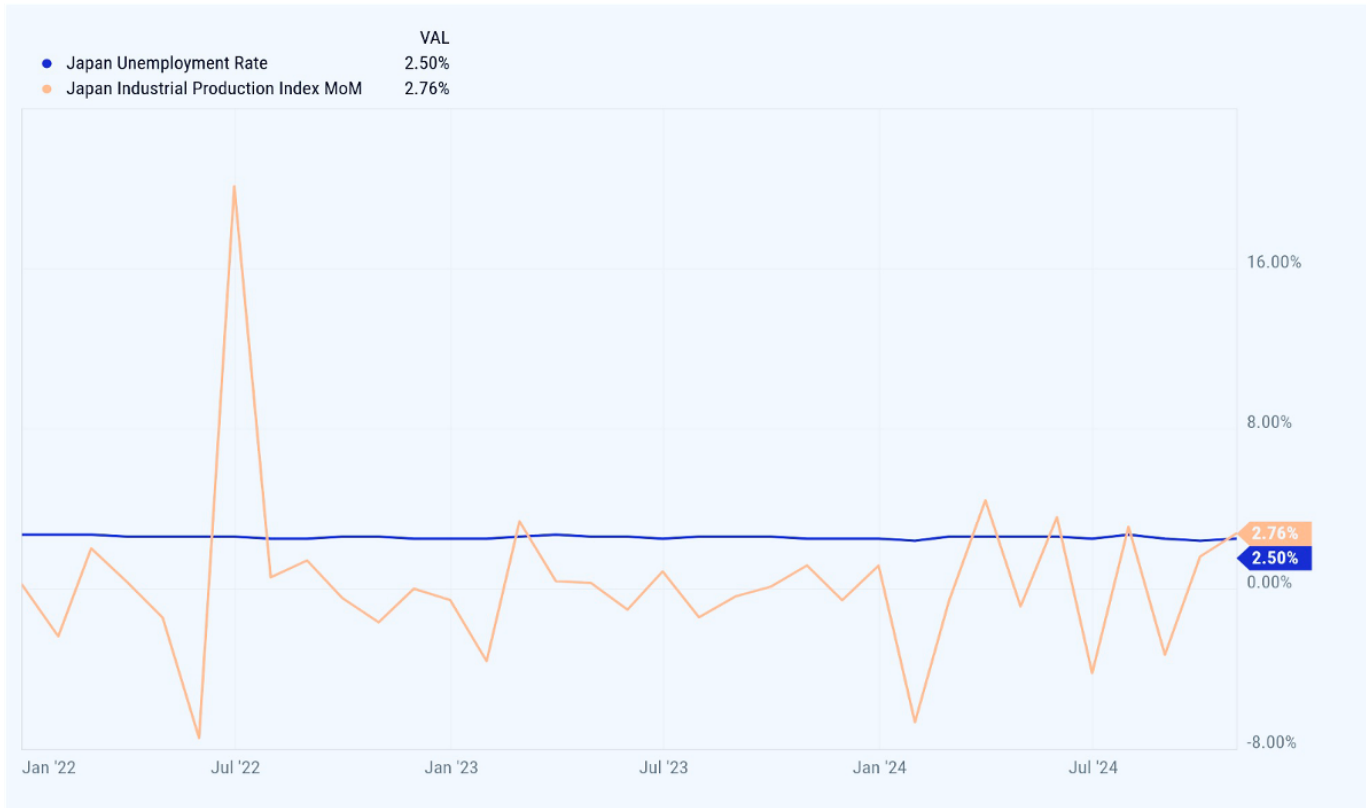
# US Initial Claims for Unemployment, US 4-Week Moving Average of Initial Unemployment Claims, & 30-Year Mortgage Rate

- US Initial Claims for Unemployment Insurance VAL 219000.0
- US 4-Week Moving Average of Initial Claims for Unemployment Insurance 226500.0
- 30 Year Mortgage Rate 6.72%





# Japan Unemployment Rate & Japan Industrial Production Index



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