

# GLOBAL MARKET SQUARE



## The Markets Soar as the S&P 500 and Nasdaq Hit All Time Highs; Puerto Rico Faces 2025 Economic Crossroads.

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The U.S. and European stock markets closed mostly higher, except for the Dow Jones, which closed in the red. Today's rise of the S&P 500 and Nasdaq Composite marked another record all-time high. The strong performances in communication services, technology, and consumer discretionary sectors drove gains. In Asia, markets also advanced, bolstered by a rally in South Korean and Taiwanese tech stocks, partly spurred by new U.S. restrictions on AI chip exports to China. Meanwhile, political tensions in South Korea drew attention after the president temporarily declared and rescinded martial law. The U.S. dollar weakened against major currencies, while commodities like WTI crude oil and gold rose.

### The US Jobs Market Remains Robust

The Job openings surged to 7.744 million in October, exceeding both estimates and the previous month's figure of 7.4 million. The quits rate rose to 3.3 million, reflecting workers' confidence in finding new opportunities, while layoffs remained stable. These trends suggest a resilient labor market, supporting consumer spending ahead of the holiday season and bolstering hopes for a "soft landing" in the economy. On Friday, the labor market will face further scrutiny with the release of nonfarm payroll data, expected to show 215,000 jobs added in November, a rebound from October's weather- and strike-affected figure of 12,000. The unemployment rate is projected to remain steady at 4.1%.

### Bond Yields Edge Higher

Bond yields climbed, with the 10-year Treasury yield closing at 4.23%, extending the upward trend of recent months. Investors have adjusted their expectations for Federal Reserve policy, now anticipating a slower pace of rate cuts amid lingering inflationary pressures. Current market projections include three additional Fed rate reductions over the next seven months, likely bringing the fed funds rate to 3.75%-4.0%. The Fed will be cautious, gradually easing rates to support ongoing economic growth.

### Puerto Rico Economic Update

Puerto Rico's economy in 2024 tells a story of contrasts. On one side, the island grapples with the lingering effects of hurricanes, crumbling infrastructure, and rising bankruptcies, with commercial and personal filings up 32.3% year-over-year. On the other, hopes are tied to fresh leadership and over \$119,738 billion in federal reconstruction funds, sparking cautious optimism as we have 56.86% or \$68,088 billion in unused Federal Funds. The question remains: Can these resources help Puerto Rico shift from economic fragility to sustainability?

The economic outlook reflects both promise and uncertainty. GDP growth for 2024 was 2.80%, and for 2025, 1.40% by the Puerto Rico Planning Board.

We at Birling Capital have a different view that for 2024, Puerto Rico will grow at 1.30% and for 2025 at 1.10%. While significant, federal reconstruction funds only help when combined with transformative

actions to improve our economy. Whether these funds can catalyze true economic transformation remains uncertain, leaving Puerto Rico at a crossroads of resilience and reform.

### Key Economic Data:

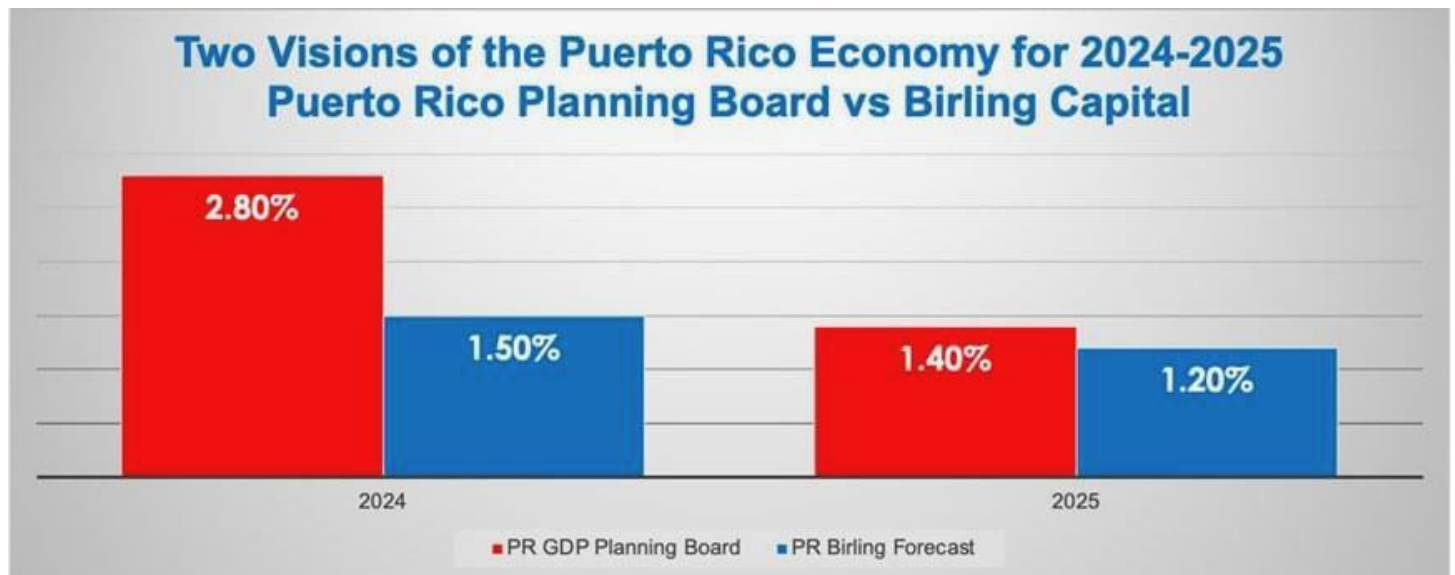
- **U.S. Job Openings:** Total Nonfarm: rose to 7.744 million, up from 7.372 million last month, increasing 5.05%.

### Eurozone Summary:

- **Stoxx 600:** Closed at 515.53, up 1.92 points or 0.37%.
- **FTSE 100:** Closed at 8,359.41, up 46.52 points or 0.56%.
- **DAX Index:** Closed at 20,016.75, up 83.13 points or 0.42%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,705.53, down 76.47 points or 0.17%.
- **S&P 500:** closed at 6,049.88, up 2.73 points or 0.05%.
- **Nasdaq Composite:** closed at 19,480.91, up 76.96 points or 0.40%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,885.95, down 5.53 points or 0.14%.
- **Birling Capital U.S. Bank Stock Index:** closed at 6,546.22, down 42.70 points or 0.65%.
- **U.S. Treasury 10-year note:** closed 4.23%.
- **U.S. Treasury 2-year note:** closed 4.17%.



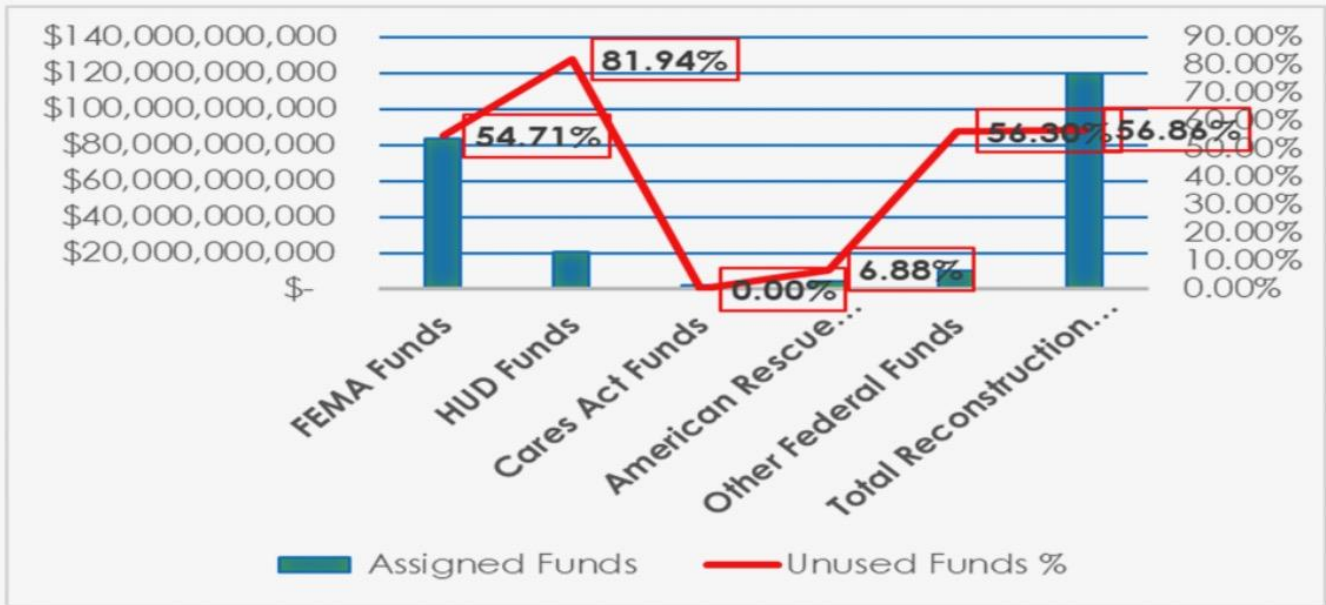


## Puerto Rico Federal Reconstruction Funds Assigned, Obligated, Disbursed and Unused Funds

Reconstruction Funds	Assigned Funds	Obligated Funds	Disbursed Funds	Unused Funds %
FEMA Funds	\$ 83,173,943,463	\$ 82,104,838,258	\$37,673,128,347	54.71%
HUD Funds	\$ 20,444,496,230	\$ 20,444,496,230	\$ 3,691,324,071	81.94%
Cares Act Funds	\$ 2,231,854,854	\$ 2,231,854,854	\$ 2,231,854,854	0.00%
American Rescue Plan	\$ 4,016,359,288	\$ 4,011,731,612	\$ 3,740,040,921	6.88%
Other Federal Funds	\$ 9,872,311,832	\$ 6,068,791,860	\$ 4,313,913,721	56.30%
<b>Total Reconstruction Funds</b>	<b>\$ 119,738,965,667</b>	<b>\$ 114,861,712,814</b>	<b>\$51,650,261,914</b>	<b>56.86%</b>

**Puerto Rico has not used 56.86% or  
\$68,088 billion in federal reconstruction funds**

# Reconstruction Funding Allocation Assigned Funds Vs. Unused Funds





# US Job Openings: Total Nonfarm and US Unemployed Persons Job Seekers



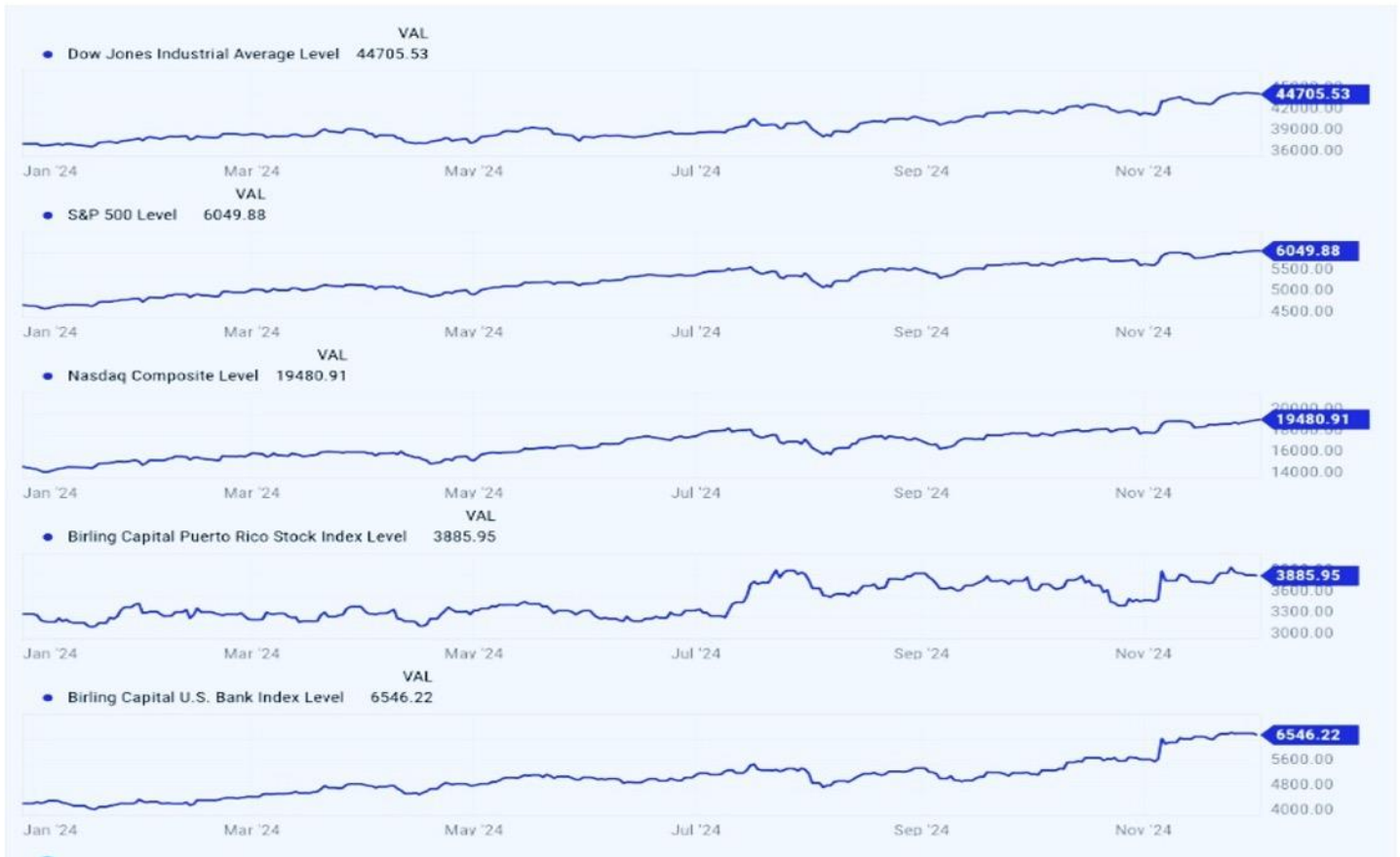


# Dow Jones, S&P 500, Nasdaq Composite, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns

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	VAL
● Dow Jones Industrial Average Level % Change	18.62%
● S&P 500 Level % Change	26.84%
● Birling Capital Puerto Rico Stock Index Level % Change	16.23%
● Nasdaq Composite Level % Change	29.77%
● Birling Capital U.S. Bank Index Level % Change	50.17%





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