

GLOBAL MARKET SQUARE



Global Stocks Rise as US Jobs Data Signals Slower Growth; Salesforce Leads Market Gains and Economic and Political Crosswinds Shape Markets.

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The US and European stock markets closed mostly higher except for the FTSE 100, which fell 23.60 points; the Dow Jones, S&P 500, and Nasdaq are at all-time highs. A day of key economic data releases drove the rally. The ADP private employment report revealed that 146,000 jobs were added in November, indicating solid growth but falling short of October's revised figure of 184,000. Meanwhile, the ISM Services PMI dropped to 52.1 from 56 in October, signaling continued expansion in the US services sector, though slower.

Gains were concentrated in growth-oriented sectors, with technology, communication services, and consumer discretionary leading the S&P 500 higher. Other sectors mostly ended flat or lower. Globally, European markets rose despite persistent political tensions in France, while Asian markets delivered mixed results overnight.

On the corporate front, Salesforce surged over 10% following better-than-expected earnings, were quarterly sales slightly surpassed analyst projections. Bond markets reflected cautious optimism, with the 10-year Treasury yield slipping to 4.18% and the 2-year yield declining to 4.12%.

Labor Market Normalizes Amid Busy Data Weeks

The labor market remained a focal point this week with the release of November's ADP Employment Report. Private employers added 146,000 jobs, underperforming consensus expectations of 158,000 and falling short of October's adjusted total of 184,000. Sectors sensitive to economic cycles, such as manufacturing, saw job losses of 26,000, while small businesses shed 17,000 positions. Conversely, large corporations and service industries, including education and health services, created jobs. These findings followed Tuesday's JOLTS report, which showed job openings surged to 7.7 million in October, marking a 372,000 increase—the most significant monthly gain in over a year. Together, the data point to a labor market that is easing from historically tight levels while maintaining overall strength. The week's most anticipated data, November's nonfarm payrolls report, is set for release Friday. Markets expect a robust 215,000 new jobs, a significant rebound from the prior month's hurricane-affected 12,000, while the unemployment rate is forecast to hold steady at 4.1%.

Political Turmoil Overseas Weighs on Sentiment

Political developments overseas continued to capture market attention. In France, the National Assembly voted to oust Michel Barnier's government following his controversial push to amend the national budget without parliamentary approval. The country faces a leadership vacuum as a new prime minister must be appointed, potentially triggering emergency financial measures to sustain government operations into 2024. Bond markets reacted sharply, with the spread between French and German 10-year government yields reaching its widest point in over a decade. French equities remained resilient, with the CAC index finishing in positive territory.

South Korea experienced significant political drama as its president briefly declared martial law before reversing the decision. The move has intensified calls for impeachment, sending the KOSPI Index tumbling overnight. These geopolitical uncertainties underscore the fragility of global markets amidst evolving domestic and international risks.

Key Economic Data:

- **ADP Employment Change:** fell to 146,000, down from 184,000, and decreased to 20.65%.
- **US Durable Goods New Orders MoM:** rose to 0.30%, compared to -0.36%.
- **US ISM Services Employment Index:** fell to 51.50, down from 53.00, decreasing -2.83%.
- **US ISM Services New Orders Index:** fell to 53.70, down from 57.40, decreasing -6.45%.
- **US ISM Services PMI:** fell to 52.10, down from 56.00, decreasing -6.96%.
- **US ISM Services Prices Paid Index:** rose to 58.20, up from 58.10, increasing 0.17%.

Eurozone Summary:

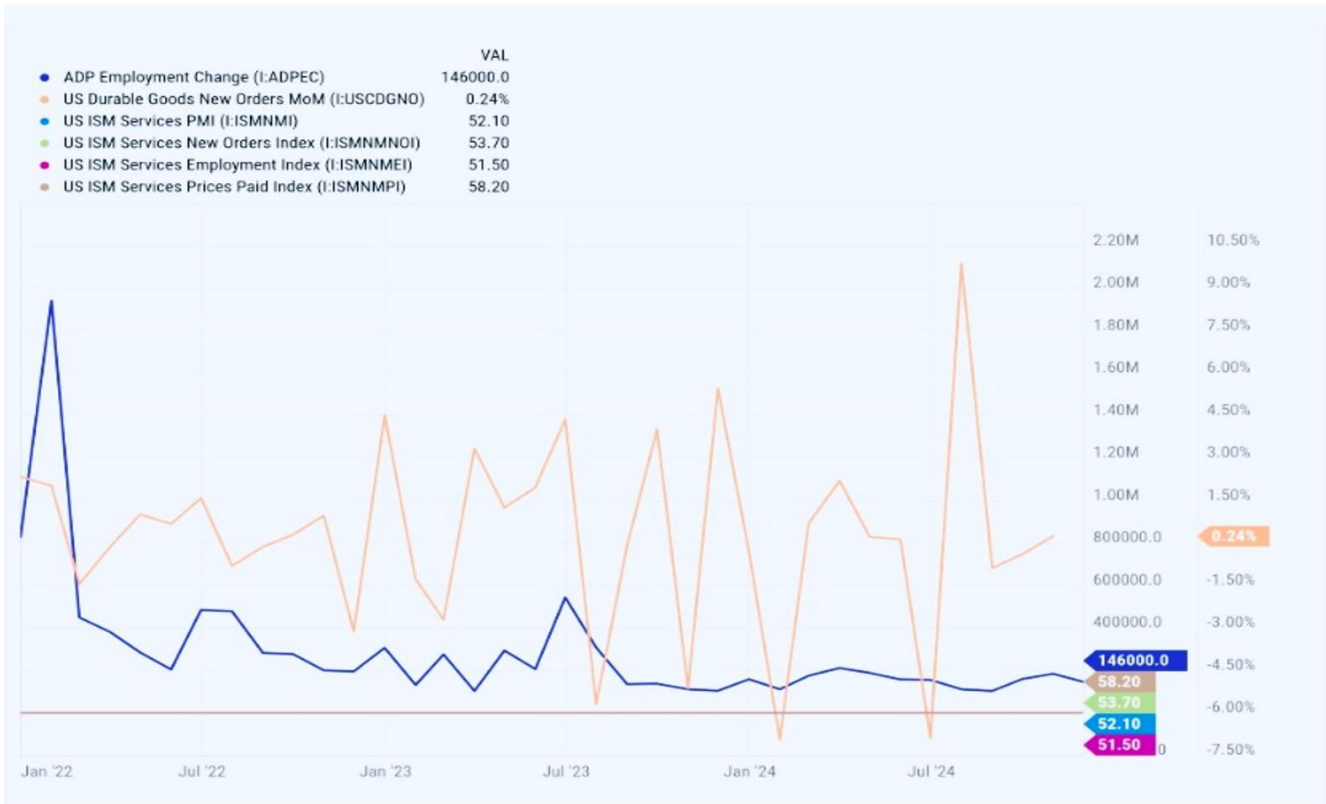
- **Stoxx 600:** Closed at 517.45, up 1.92 points or 0.37%.
- **FTSE 100:** Closed at 8,335.81, down 23.60 points or 0.28%.
- **DAX Index:** Closed at 20,232.14, up 215.39 points or 1.08%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 45,014.04, up 308.51 points or 0.69%.
- **S&P 500:** closed at 6,086.49, up 36.61 points or 0.61%.
- **Nasdaq Composite:** closed at 19,735.12, up 254.21 points or 1.30%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,857.05, down 28.90 points or 0.74%.
- **Birling Capital US Bank Stock Index:** closed at 6,514.63, down 31.60 points or 0.48%.
- **US Treasury 10-year note:** closed 4.19%.
- **US Treasury 2-year note:** closed 4.13%.



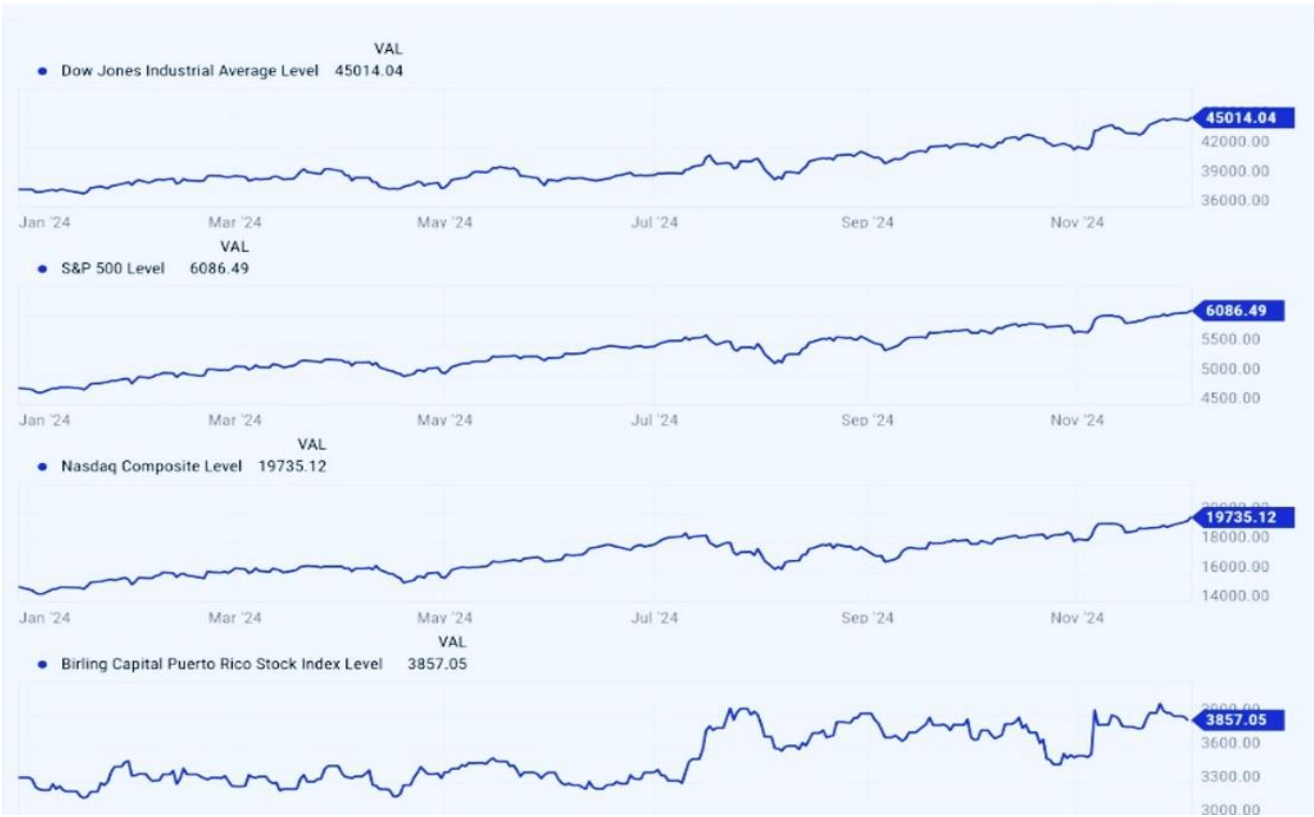
ADP Employment Change, US ISM Services PMI, US Durable Goods New Orders, US SM Services New Orders, US ISM Services Employment Index and US ISM Services Prices Paid





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







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