



GLOBAL MARKET SQUARE



The Fed's Preferred inflation metric, the Core PCE Price Index, rose to 4.71%, a dire setback for the Fed, the U.S. economy, and Wall Street falls.

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The U.S. and European stock markets closed the week with losses following the release of the Federal Reserve Bank's preferred inflation metric, the Core PCE Price Index, which rose to 4.71%, increasing 2.33% from last month's 4.60%, making a dire setback for the Fed and the U.S. economy.

The core PCE exceeded all consensus estimates and accelerated month-over-month. Today, the U.S. Personal Spending MoM rose to 1.76%, directly pointing to the Fed's need to increase rates and keep them higher for longer than most had anticipated.

However, despite the disappointing inflation data, we maintain that inflation has peaked and must anticipate further decreases as the year progresses.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated today, 2/24/23, showing an increase to 2.70% GDP, up from 2.50% GDP on 2/16/23 and a 74.07% increase since the initial forecast of 0.70% on 1/27/23.

Key Economic Data:

- **U.S. PCE Price Index YoY:** fell to 5.38%, compared to 5.29% last month.
- **U.S. Core PCE Price Index YoY:** rose to 4.71%, compared to 4.60% last month.
- **U.S. 12-Month Trimmed Mean PCE Inflation Rate:** fell to 4.42%, compared to 4.59% last month.
- **U.S. Index of Consumer Sentiment:** rose to 67.00, up from 64.90 last month, increasing 3.24%.
- **U.S. Personal Income MoM:** rose to 0.58%, compared to 0.32% last month.
- **U.S. Personal Spending MoM:** rose to 1.76%, compared to -0.13% last month.
- **U.S. New Single-Family Houses Sold:** rose to 670,000, up from 625,000 last month, increasing 7.20%.
- **Germany Real GDP YoY:** fell to 0.90%, compared to 1.40% last quarter.

Puerto Rico COVID-19 Update February 24:

- Daily Cases: 74
- Positivity Rate: 12.77%
- Hospitalizations: 123
- Deaths: 5
- Source P.R. Department of Health.

Eurozone Summary for February 24:

- Stoxx 600 closed at 457.70, down 4.80 points or 1.04%.
- FTSE 100 closed at 7,878.66, down 29.06 points or 0.37%.
- Dax Index closed at 15,209.74, down 265.95 points or 1.72%.

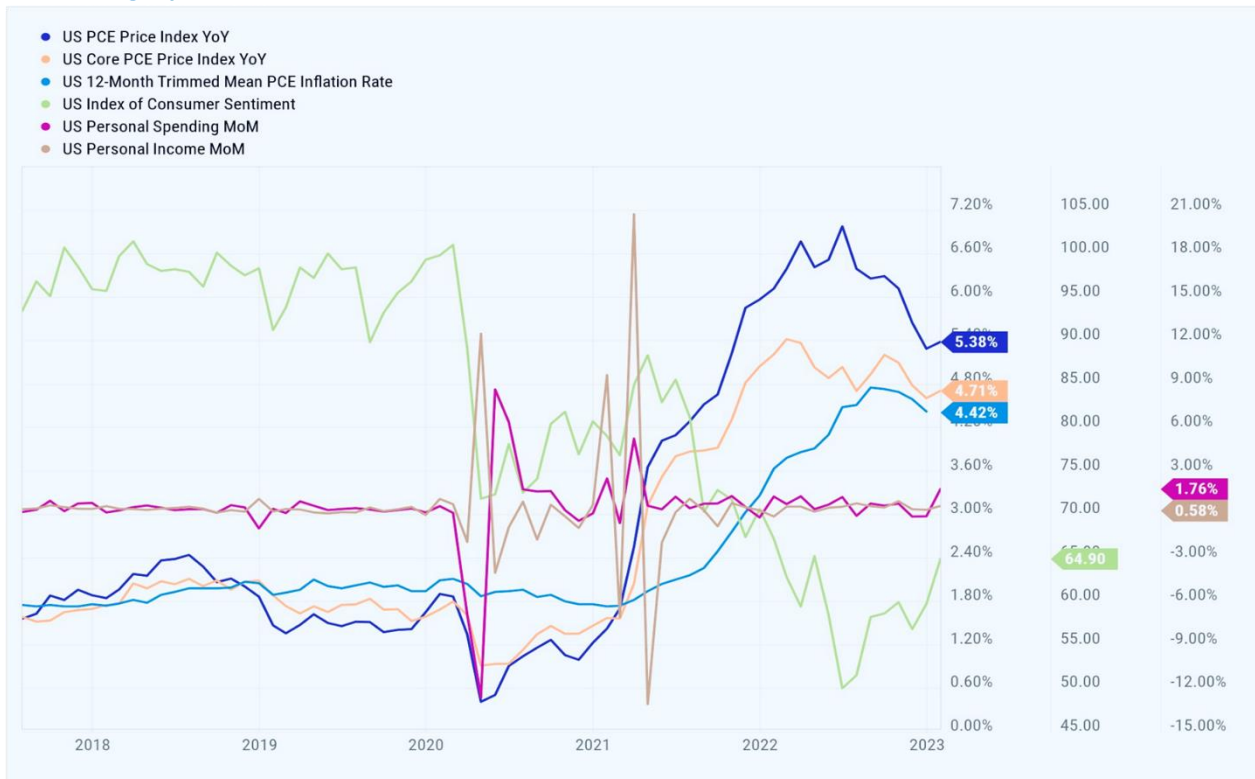
Wall Street Summary for February 24:

- Dow Jones Industrial Average closed at 32,817.92, down 336.99 or 1.02%.
- S&P 500 closed at 3,970.04, down 42.88 points or 1.05%.
- Nasdaq Composite closed at 11,394.94, down 195.46 points or 1.69%.
- Birling Capital Puerto Rico Stock index closed at 2,786.13, up 48.37 points or 1.77%.
- U.S. Treasury 10-year note closed at 3.95%.
- U.S. Treasury 2-year note closed at 4.78%.



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US PCE Price Index, US Core PCE, US Index of Consumer Sentiment, US Personal Spending and US Personal Income





GDPNow 2.24.23

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Date	GDPNow 1Q23	Change
1/27/2023	0.70%	Initial Forecast
2/1/2023	2.10%	66.67%
2/8/2023	2.20%	4.55%
2/15/2023	2.40%	8.33%
2/16/2023	2.50%	4.00%
2/24/2023	2.70%	7.41%

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