

Fed Chair Powell states that the disinflationary process of getting inflation down has begun, and Wall Street rallies.

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The U.S. and European stock markets closed the session with mostly up following an interview hosted by the Economic Club of Washington with Jay Powell and David Rubenstein, Carlyle Group Co-Founder, Fed Chair Powell stated that "The disinflationary process, the process of getting inflation down, has begun and it's begun in the goods sector, but it has a long way to go. These are the very early stages of disinflation".

The Fed's Chair comments are excellent news; however, the signal to raise rates further to curb the more robust than expected U.S. labor market remains. The Fed has increased its primary interest rate from near-zero to a target range between 4.5% and 4.75% in less than a year.

The Fed has raised rates eight times, with the latest one taking place last week with a 25 basis points increase in a departure from the 50 to 75 basis points increases it had been doing.

The latest increase was last week, in which the Fed slowed its pace to 25 basis points from the 50 to 75 basis points it had been.

Rate Increases:

- Feb. 01, 23 25 basis points
- Dec. 14, 22 50 basis points
- Nov. 02, 22 75 basis points
- Sep. 21, 22 75 basis points
- July 27, 22 75 basis points
- June 15, 22 75 basis points
- May 04, 22 50 basis points
- Mar. 16, 22 25 basis points

Key Economic Data:

- U.S. Consumer Credit Outstanding MoM: fell to \$27.96 billion, down from \$29.12 billion last month, decreasing -3.98%.
- Germany Industrial Production Index MoM: fell to -3.10%, compared to 0.40% last month.
- Japan Business Conditions Composite Coincident Index: fell to 98.90, down from 99.30 last month and decreasing -0.40%.

Puerto Rico COVID-19 Update February 7:

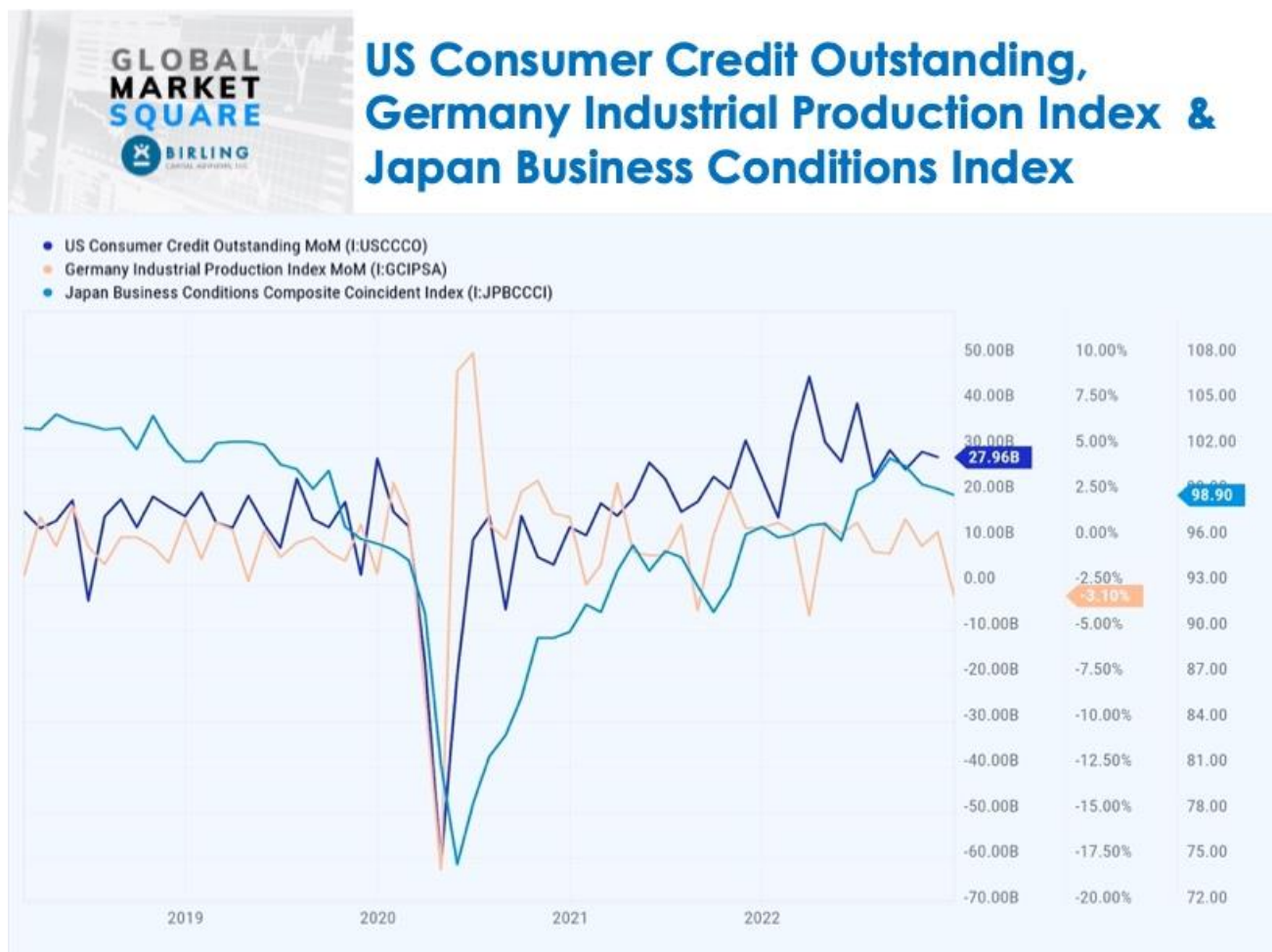
- Daily Cases: 126
- Positivity Rate: 14.89%
- Hospitalizations: 177
- Deaths: 7
- Source P.R. Department of Health.

Eurozone Summary for February 7:

- Stoxx 600 closed at 458.19, up 1.03 points or 0.23%.
- FTSE 100 closed at 7,864.71, up 28.00 points or 0.36%.
- Dax Index closed at 15,320.88, down 26.03 points or 0.16%.

Wall Street Summary for February 7:

- Dow Jones Industrial Average closed at 34,156.69, up 265.67 or 0.78%.
- S&P 500 closed at 4,164.00, up 52.92 points or 1.29%.
- Nasdaq Composite closed at 12,113.79, up 226.34 points or 1.90%.
- Birling Capital Puerto Rico Stock index closed at 2,745.22, down 44.68 points or 1.60%.
- U.S. Treasury 10-year note closed at 3.67%.
- U.S. Treasury 2-year note closed at 4.47%.





Wall Street YTD Returns

Dow Jones, S&P 500, Nasdaq Composite & Birling Puerto Rico Stock Index





Wall Street Recap

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