GLOBAL MARKET SQUARE

BIRLING CAPITAL ADVISORS, LLC

The U.S. Consumer Price Index falls to 6.45%, ahead of forecasts, Unemployment Claims fall, and Wall Street closed higher.

January 12, 2023

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The U.S. & European stock markets closed higher following a better-than-forecasted U.S. Consumer Price Index reading that fell to 6.45%. The Inflation NowCast CPI forecast was 6.64%, while the consensus of economists was 6.50%, and both were beaten handsomely. Additionally, the closely followed Core CPI that excludes more volatile products like food and energy fell to 5.69%, ahead of the Inflation NowCast forecast of 5.87% by 3.06%.

The fact that the CPI fell more than expected renews investors' hope that the Federal Reserve Bank would consider slowing down its aggressive interest rate campaign.

While investors have reacted positively, there is no great excitement from the decrease in CPI until the Fed acts, evidencing that inflation has cooled enough to warrant slowing down its interest pace campaign.

Key Economic Data:

- **U.S. Consumer Price Index YoY:** fell to 6.45%, compared to 7.11% last month.
- **U.S. Core Consumer Price Index YoY:** fell to 5.69%, compared to 5.96% last month.
- **U.S. Inflation Rate:** fell to 6.45%, compared to 7.11% last month.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 205,000, down from 206,000 last week, decreasing -0.49%.
- **30-Year Mortgage Rate:** fell to 6.33%, compared to 6.48% last week.

Puerto Rico COVID-19 Update January 12:

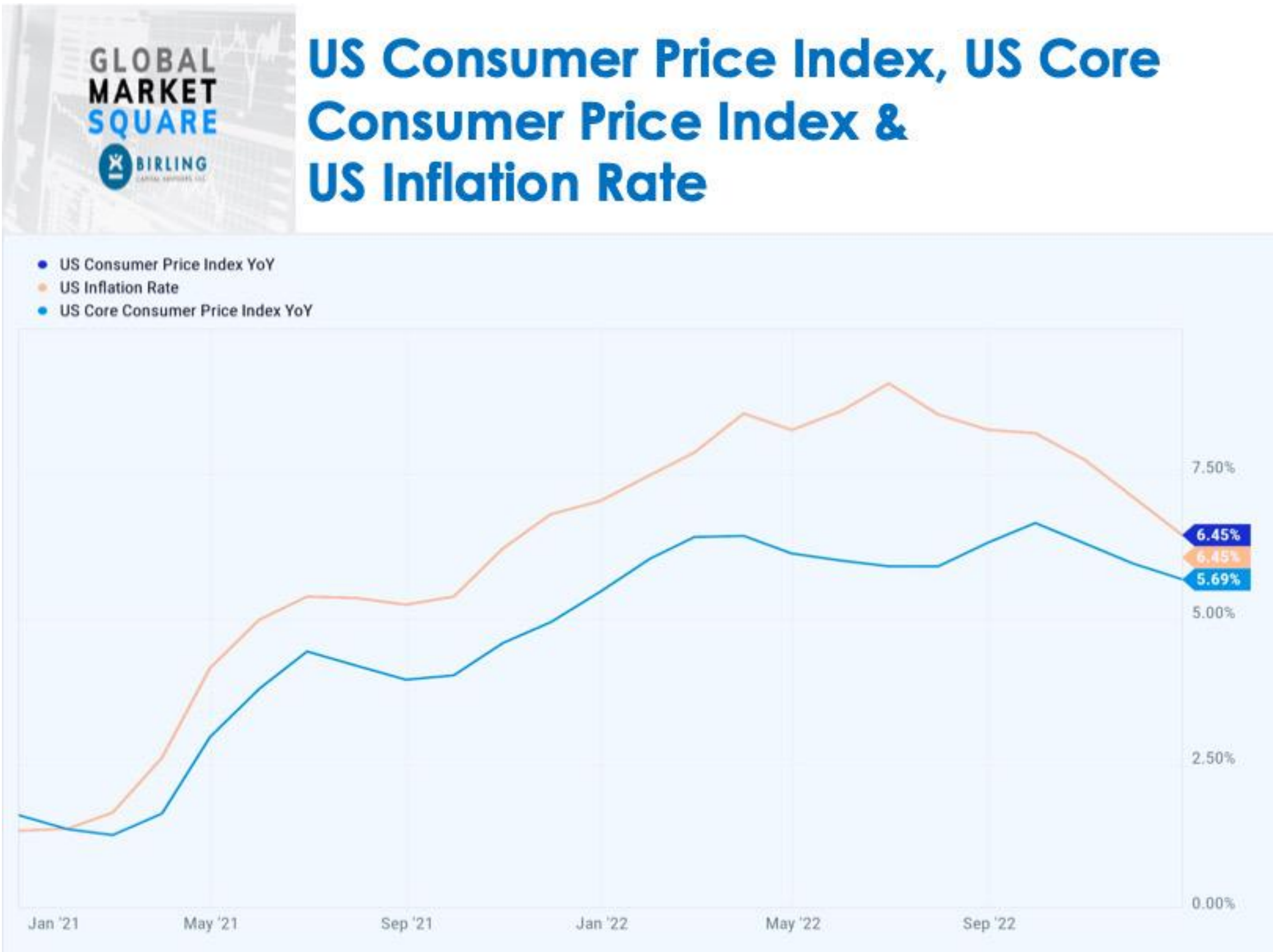
- Daily Cases: 154
- Positivity Rate: 22.99%
- Hospitalizations: 224
- Deaths: 8
- Source P.R. Department of Health.

Eurozone Summary for January 12:

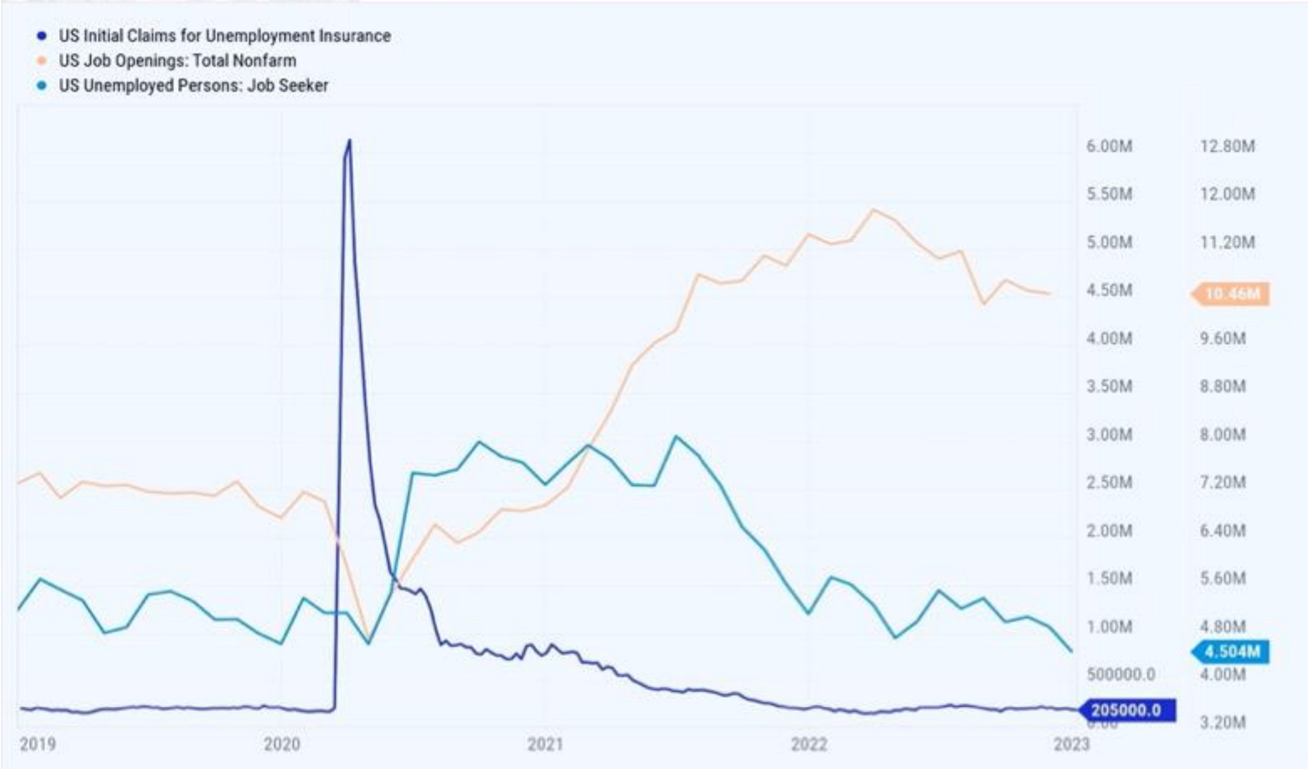
- Stoxx 600 closed at 450.68, up 3.27 points or 0.73%.
- FTSE 100 closed at 7,794.04, up 69.06 points or 0.89%.
- Dax Index closed at 15,058.30, up 110.39 points or 0.74%.

Wall Street Summary for January 12:

- Dow Jones Industrial Average closed at 34,189.87, up 216.16 points or 0.64%.
- S&P 500 closed at 3,983.17, up 13.58 points or 0.34%.
- Nasdaq Composite closed at 11,001.10, up 69.43 points or 0.64%.
- Birling Capital Puerto Rico Stock index closed at 2,605.94, up 27.16 points or 1.05%.
- U.S.U.S. Treasury 10-year note closed at 3.43%.
- U.S.U.S. Treasury 2-year note closed at 4.12%.



US Claims for Unemployement rise to to 205,000 down -0.49%



Wall Street Recap

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