

GLOBAL MARKET SQUARE



Investors await the FOMC meeting that could take rates 25-basis points higher, a whole week of corporate earnings, and Wall Street closed down.

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The U.S. & European stock markets began the week mostly down as investors prepare for a hectic week of the corporate earnings parade and FOMC meeting that runs from January 31 to February 1 and will probably grant us another 25 basis points increase.

During the week, there will be earnings reports from more or less 20% of the S&P 500 constituent companies, including General Motors, McDonald's, and UPS, as well as some of the tech giants, including Google, Meta, and Apple, a lot is riding on these results to determine the resiliency of the earnings power of the companies in the face of rising rates, lower consumer demand and high inflation.

We are a day away from the Fed's inaugural 2023 FOMC meeting. We forecast that the member will implement a 25 basis points rate increase taking the fed funds rate to the range of 4.50% to 4.75% as the Core PCE Price Index fell to 4.42% and is closer to the Feds target of 2% inflation.

Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.519, up from \$3.416 last week, increasing 3.02%.
- **Germany Real GDP YoY:** fell to 1.20%, compared to 1.70% last quarter.
- **Japan Consumer Confidence Index:** rose to 30.30, up from 28.60 last month, increasing 5.94%.
- **Japan Industrial Production Index MoM:** rose to 0.21%, compared to -3.25% last month.
- **Japan Unemployment Rate:** fell to 2.50%, compared to 2.60% last month.
- **China PMI:** fell to 47.00, down from 48.00 last month, decreasing -2.08%.

Puerto Rico COVID-19 Update January 30:

- Daily Cases: 167
- Positivity Rate: 17.90%
- Hospitalizations: 166
- Deaths: 4
- Source P.R. Department of Health.

Eurozone Summary for January 30:

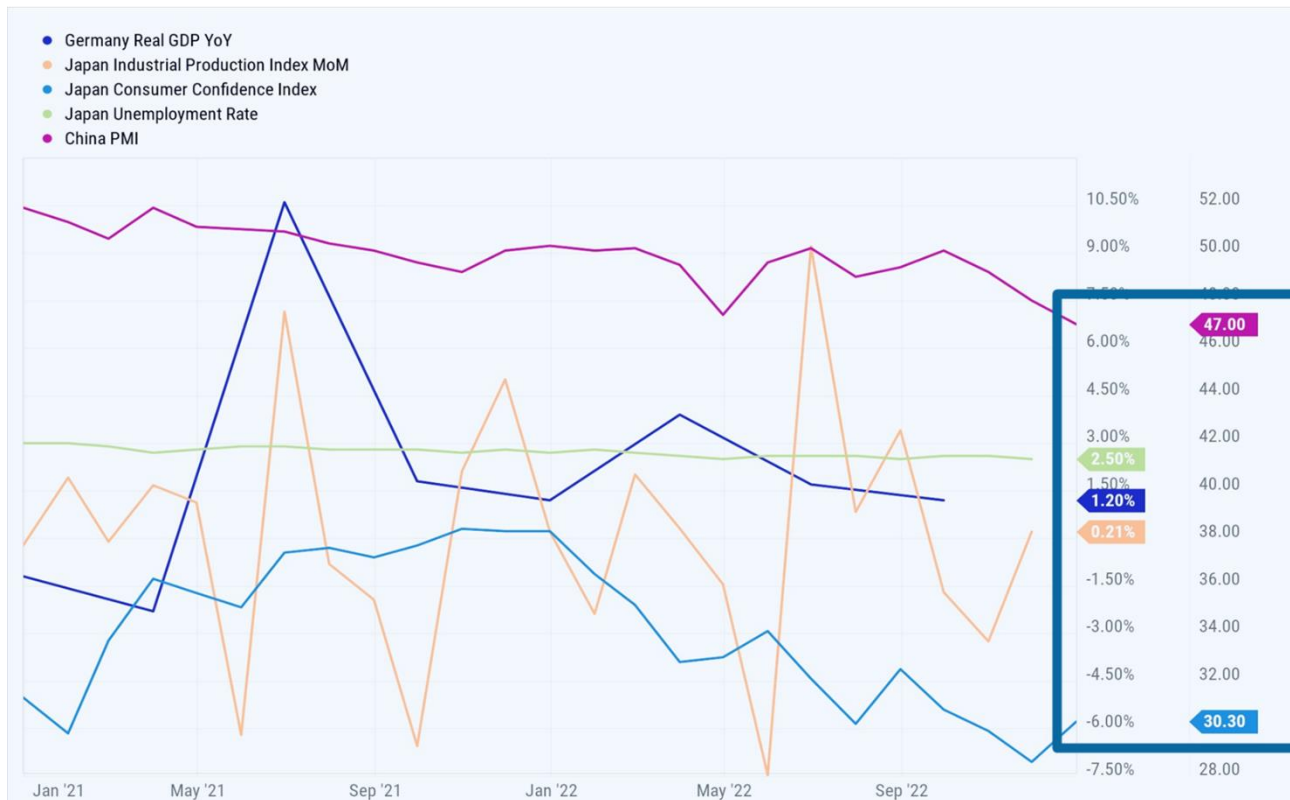
- Stoxx 600 closed at 454.49, down 0.68 points or 0.15%.
- FTSE 100 closed at 7,784.87, up 19.72 points or 0.25%.
- Dax Index closed at 15,126.08, down 23.95 points or 0.16%.

Wall Street Summary for January 30:

- Dow Jones Industrial Average closed at 33,171.09, down 260.99 points or 0.77%.
- S&P 500 closed at 4,017.77, down 52.79 points or 1.30%.
- Nasdaq Composite closed at 11,393.81, down 227.90 points or 1.96%.
- Birling Capital Puerto Rico Stock index closed at 2,647.04, up 14.79 points or 0.56%.
- U.S. Treasury 10-year note closed at 3.55%.
- U.S. Treasury 2-year note closed at 4.25%.



Germany Real GDP, Japan Industrial Production Index, Japan Consumer Confidence Index, Japan Unemployment Rate & China PMI



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