

# US GDPNow Surges to 3.0%, Housing Starts Jump 15.64%, and Wall Street Rallies Amid Strong Earnings.

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The US and European stock markets closed with gains fueled by better-than-expected housing data, a rising GDPNow increasing 11.11% to 3.0% GDP, and broadly positive corporate earnings reports, taking the S&P 500 to close its strongest weekly performance since the elections. For the week, the indexes recorded sizable gains despite the volatility; the Dow Jones led with 1,190.71 points, followed by the Nasdaq Composite with 542.10 points and the S&P 500 with 160.44 points.

Bond yields stayed stable today, with the 10-year Treasury yield at 4.61%, and the 2-year note closed up at 4.27%. However, since January 13, 2025, the 10-year note lost 18 basis points, while the 2-year note gained 3 basis points.

Asian markets reacting to China's National Bureau of Statistics reporting that the Gross Domestic Product (GDP) grew by 5% in 2024, This growth was bolstered by a 5.4% year-on-year expansion in the fourth quarter, indicating a strengthening economy towards the year's end, while though tariff concerns weighed on sentiment. Meanwhile, European indices are higher, bolstered by materials and auto stocks gains. The US dollar continues its upward momentum against major global currencies. Commodities are under pressure, with WTI crude oil and gold trading lower.

## Corporate Earnings Off to a Strong Start

Fourth-quarter earnings season began on a high note, led by reports from major banks. Of the companies that have announced results, 77% have surpassed analyst expectations, delivering an average earnings surprise of 9.3%. Earnings growth is expected to be robust, with seven of the 11 S&P 500 sectors projected to post year-over-year increases.

## Housing Market Shows Strength

December housing starts surged to an annualized pace of 1.499 million units, exceeding both forecasts and the prior month's figure of approximately 1.294 million. Building permits, also at a 1.483 million annualized rate, came in above expectations. These robust figures highlight growing confidence among homebuilders, signaling potential relief for shelter price inflation as housing supply and demand move closer to equilibrium.

## GDPNow:

- The GDPNow for the fourth quarter of 2024 was updated on January 16, 2025, to 3.00% from 2.70%, increasing 11.11%.

## Key Economic Data:

- **US Housing Starts:** rose to 1.499 million, up from 1.294 million last month, increasing 15.84%.
- **US Building Permits:** fell to 1.483 million, down from 1.493 million last month, decreasing -0.67%.
- **30-year Mortgage Rate is at 7.04%, compared to 6.93% last week.**

- **US Industrial Production MoM:** rose to 0.92%, compared to 0.17% last month.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** is unchanged at 2.70%, compared to 2.70% last month.
- **UK Retail Sales YoY:** rose to 3.60%, compared to 0.00% last month.

#### Eurozone Summary:

- **Stoxx 600:** Closed at 523.02, up 3.57 points or 0.69%.
- **FTSE 100:** Closed at 8,505.22, up 113.32 points or 1.35%.
- **DAX Index:** Closed at 20,903.39, up 248.00 points or 1.20%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** Closed at 43,487.83, up 334.70 points or 0.78%.
- **S&P 500:** Closed at 5,996.66, up 59.32 points or 1.00%.
- **Nasdaq Composite:** Closed at 19,630.20, up 291.91 points or 1.51%.
- **Birling Capital Puerto Rico Stock Index:** Closed at 3,697.99, down 5.98 points or 0.16%.
- **Birling Capital US Bank Index:** Closed 6,762.42, up 57.63 points or 0.86%.
- **US Treasury 10-year note:** closed at 4.61%.
- **US Treasury 2-year note:** closed at 4.27%.



## GDPNow

### Forecasts for the Fourth Quarter

Date	GDPNow 4Q24	Change
10/31/24	2.70%	Initial Forecast
11/1/24	2.30%	-14.81%
11/5/24	2.40%	4.35%
11/7/24	2.50%	4.17%
11/15/24	2.50%	0.00%
11/19/24	2.60%	4.35%
11/27/24	2.70%	3.85%
12/2/24	3.20%	18.52%
12/5/24	3.30%	3.13%
12/9/24	3.30%	0.00%
12/17/24	3.10%	-6.06%
12/18/24	3.20%	3.23%
12/20/24	3.10%	-3.13%
12/24/24	3.10%	0.00%
1/2/25	2.60%	-16.13%
1/3/25	2.40%	-7.69%
1/7/25	2.70%	12.50%
1/9/25	2.70%	0.00%
1/16/25	3.00%	11.11%

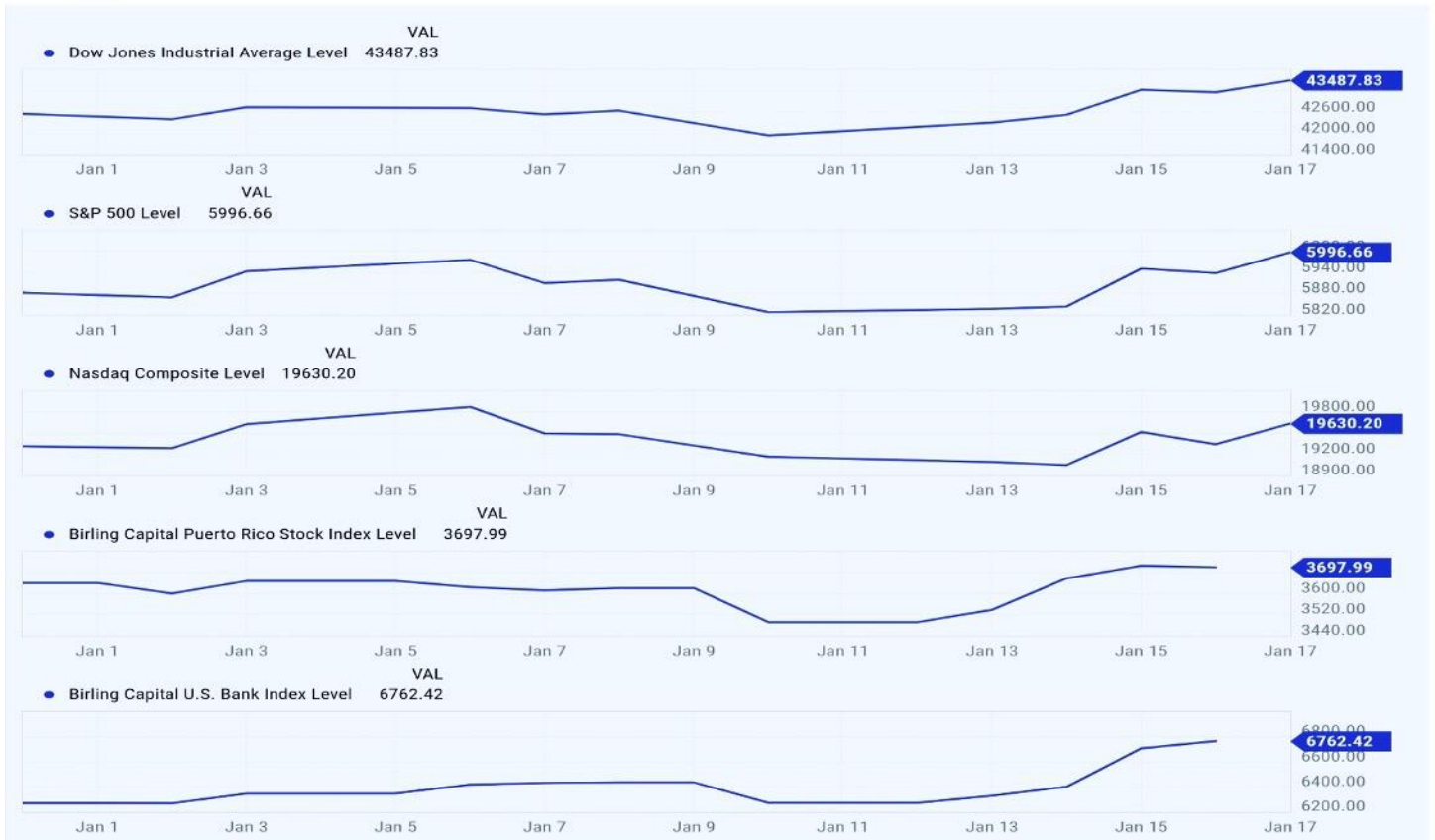


# US Housing Starts, US Building Permits, 30-Year Mortgage Rate & US Industrial Production

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● US Housing Starts	1.499M
● US Building Permits	1.483M
● 30 Year Mortgage Rate	7.04%
● US Industrial Production MoM	0.92%





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