

GLOBAL MARKET SQUARE



The Dow Jones breaks 41,000 Points, Tech Shares Tumble as U.S. May Impose Restrictions on Semiconductor Exports to China, and Housing Market Rebounds.

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The U.S. and European stock markets closed with mixed results amid reports that the U.S. may tighten trade restrictions on semiconductor equipment exports to China, which have put pressure on tech shares. Adding to the strain, former U.S. President Donald Trump suggested that Taiwan pay for its defense, further unsettling semiconductor stocks on Wednesday.

The S&P 500 and Nasdaq Composite fell on Wednesday as investors continued to rotate stocks from high-flying technology stocks to more rate-sensitive sectors. These actions took the Nasdaq down 512.41 points, making it its worst trading day since December 2022.

Despite the rotation activity, the broader market remains relatively stable, allowing Dow Jones to break 41,000 points, closing at 41,198.02, breaking another record.

Asian markets showed mixed results overnight, while European markets closed mixed due to U.K. inflation data slightly exceeding expectations.

The housing market showed signs of improvement in June. Housing starts reached a seasonally adjusted annual rate of 1.35 million, surpassing the 1.3 million expectations. Building permits, a leading indicator for future construction, rose to 1.45 million, higher than the consensus forecast of 1.39 million. Despite these month-over-month gains, housing starts and permits were lower than the previous year due to higher interest rates affecting the housing market. Lower interest rates could boost residential construction activity if the Fed cuts rates in the coming months, as the market expects.

GDPNow Update:

- The latest GDPNow for 2Q24, reported on July 17, rose to 2.70%, up from 2.50%, increasing 7.41%.

Corporate Earnings Parade:

- **Johnson & Johnson (JNJ):** Reported 2Q24 revenues of \$22.4 billion, increasing 4.30%, net income of \$6.8 billion, rising 1.6%, and earnings per-share of \$2.82, beating expectations with a stock price objective of \$171.49. The Stock Closed at \$156.56, up \$5.55.

Key Economic Data:

- **U.S. Housing Starts:** rose to 1.353 million, up from 1.314 million last month, increasing 2.97%.
- **U.S. Building Permits:** rose to 1.446 million, up from 1.399 million last month, increasing 3.36%
- **U.S. Industrial Production MoM:** fell to 0.64%, compared to 0.87% last month.
- **U.K. Consumer Price Index YoY:** is unchanged at 2.00%, compared to 2.00% last month.

- **U.K. Core Consumer Price Index YoY:** rose to 3.56%, compared to 3.49% last month.
- **U.K. Producer Price Index: Output YoY:** fell to 1.41%, compared to 1.70% last month.
- **U.K. Producer Price Index: Input YoY:** is at -0.34%, compared to -0.67% last month.

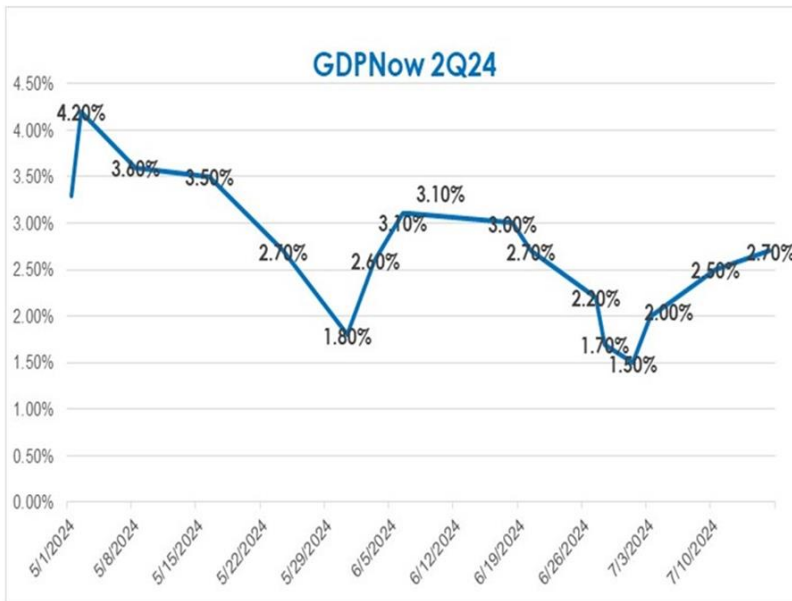
Eurozone Summary:

- **Stoxx 600:** Closed at 514.83, down 2.47 points or 0.48%.
- **FTSE 100:** Closed at 8,187.46, up 22.56 points or 0.28%.
- **DAX Index:** Closed at 18,437.30, down 80.73 points or 0.44%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,198.08, up 243.60 points or 0.59%.
- **S&P 500:** closed at 5,588.27, down 78.93 points or 1.39%.
- **Nasdaq Composite:** closed at 17,996.92, down 512.41 points or 2.77%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,762.91, up 168.20 points or 4.68%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,576.26, up 158.73 points or 2.93%.
- **U.S. Treasury 10-year note:** closed at 4.16%.
- **U.S. Treasury 2-year note:** closed at 4.42%.

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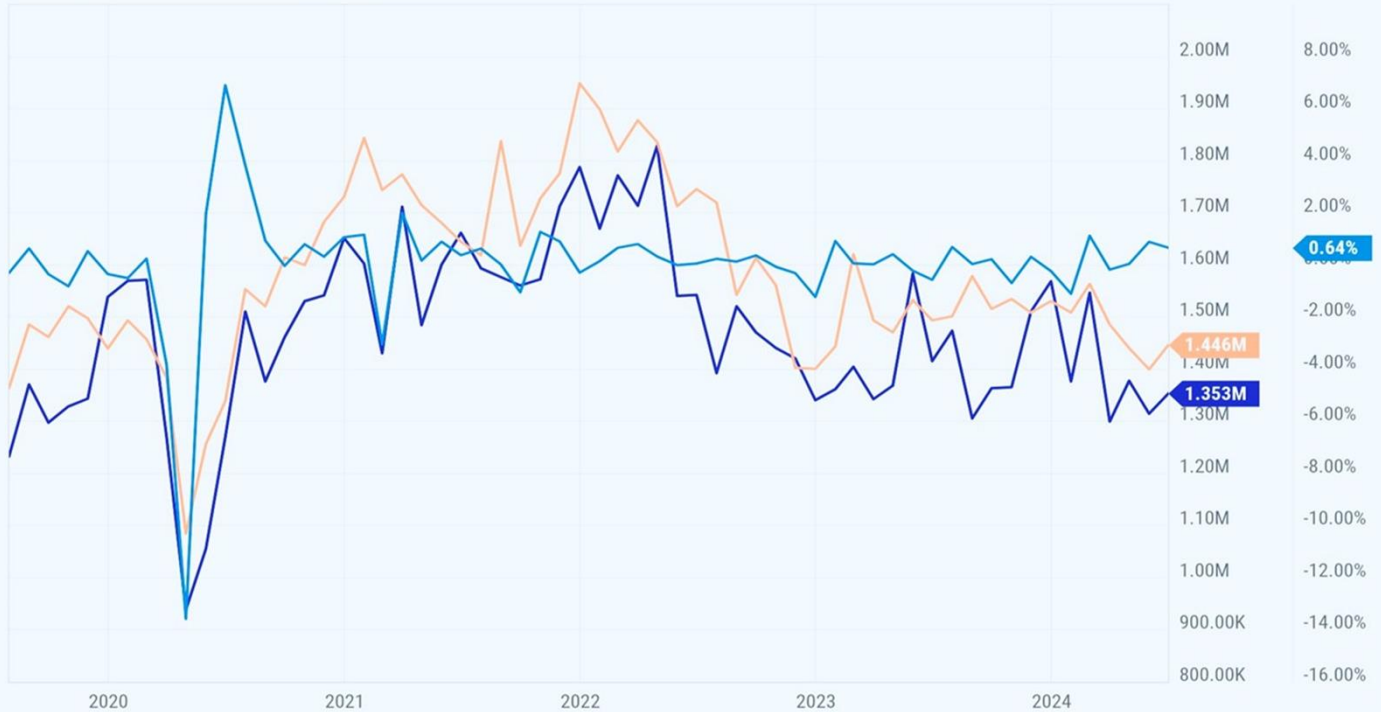
Date	GDPNow 2Q24	Change
4/26/2024	3.90%	Initial Forecast
5/1/2024	3.30%	-18.18%
5/2/2024	3.30%	0.00%
5/8/2024	4.20%	27.27%
5/16/2024	3.60%	-14.29%
5/24/2024	3.50%	-2.78%
5/31/2024	2.70%	-22.86%
6/3/2024	1.80%	-50.00%
6/6/2024	2.60%	30.77%
6/7/2024	3.10%	16.13%
6/18/2024	3.10%	0.00%
6/20/2024	3.00%	-3.33%
6/27/2024	2.70%	-11.11%
6/28/2024	2.20%	-22.73%
7/1/2024	1.70%	-29.41%
7/3/2024	1.50%	-13.33%
7/10/2024	2.00%	25.00%
7/16/2024	2.50%	20.00%
7/17/2024	2.70%	7.41%



US Housing Starts, US Building Permits & US Industrial Production

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- US Housing Starts VAL 1.353M
- US Building Permits VAL 1.446M
- US Industrial Production MoM VAL 0.64%





UK CPI, UK Core CPI, UK PPI Output & UK PPI Input

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	VAL
● UK Consumer Price Index YoY (I:UKCCXRBU)	2.00%
● UK Core Consumer Price Index YoY (I:UKCCPIYY)	3.56%
● UK Producer Price Index: Output YoY (I:UKPPIOYY)	1.41%
● UK Producer Price Index: Input YoY (I:UKPPIIYY)	-0.34%





Dow Jones Industrial Average, S&P 500, Nasdaq Composite, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns 7.17.24

	VAL
● Birling Capital U.S. Bank Index Level % Change	27.93%
● Nasdaq Composite Level % Change	19.89%
● S&P 500 Level % Change	17.16%
● Birling Capital Puerto Rico Stock Index Level % Change	12.55%
● Dow Jones Industrial Average Level % Change	9.31%





Wall Street Recap

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