



GLOBAL MARKET SQUARE



The market pessimism continues as investors await Fed interest rate increase, the S&P falls deeper into bear territory, and Wall Street closed mixed.

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The U.S. & European stock markets mainly closed down following the same path as yesterday's session, with the S&P 500 falling deeper into bear territory. The exception was the Nasdaq Composite, which closed slightly up.

As we have been saying, in our view, the broader pessimism implying the Federal Reserves Federal actions to tame the out-of-control inflation that could drive the economy into a recession have taken the better of most investors. We think a recession is avoidable, and the economy is still in good shape to absorb the interest rate increases. We affirm our projection that the Fed will raise rates by 75 basis points; to make a stronger statement, it could raise rates by 100 basis points. However, there is little precedent for such action, but there is also little precedent having inflation with 40 years highs, mixed with a pandemic and a war for good measure, which we shall soon see.

Key Indices Year-to-date returns:

- Dow Jones **-16.44%**
- S&P 500 **-21.63%**
- Nasdaq Composite **-30.79%**
- Birling Puerto Rico Stock Index **-9.96%**

Looking at Key Economic Sectors:

Reviewing the economic sectors, we note that energy is the only positive in the bunch, as the rest have negative year-to-date returns; we ranked them by alphabetical order:

- Basic Materials **-13.39%**
- Communication Services **-30.45%**
- Consumer Cyclical **-32.60%**
- Consumer Defensive **-8.74%**
- Energy **51.50%**
- Financial Services **-19.18%**
- Healthcare **-13.63%**
- Industrials **-16.73%**
- Real Estate **-24.36%**
- Technology **-27.95%**
- Utilities **-4.918%**

Key economic data:

- U.S. Producer Price Index YoY: fell to 10.76%, compared to 10.89% last month, decreasing 1.19%.
- U.S. Core Producer Price Index YoY: fell to 8.26%, compared to 8.64% last month, declining 4.39%.
- Canada Manufacturing Shipments: rose to 72.30 billion, up from 71.11 billion.
- German Consumer Price Index YoY: rose to 7.90%, compared to 7.40% last month, increasing 6.75%.
- ZEW Indicator of Economic Sentiment for Germany: slightly improved to -28.00, up from -34.30 last month.
- UK ILO Unemployment Rate: rose to 3.90%, compared to 3.80% last month.
- Japan Machinery Orders YoY: rose to 7.87%, compared to 4.42% last month.

Puerto Rico COVID-19 Update June 14:

- Daily Cases: 695, down 2.93%.
- Positivity Rate: 31.38%, down 5.31%.
- Hospitalizations: 377, up 4.77%.
- Deaths: 9, up 800%.
- Vaccination Rate: 87.5%.
- Source Puerto Rico Department of Health.

Eurozone Summary for June 14:

- Stoxx 600 closed at 407.68, down 4.84 points or 1.17%.
- FTSE 100 closed at 7,187.46, down 18.35 points or 0.25%.
- Dax Index closed at 13,304.39, down 122.64 points or 0.91%.

Wall Street Summary for June 14:

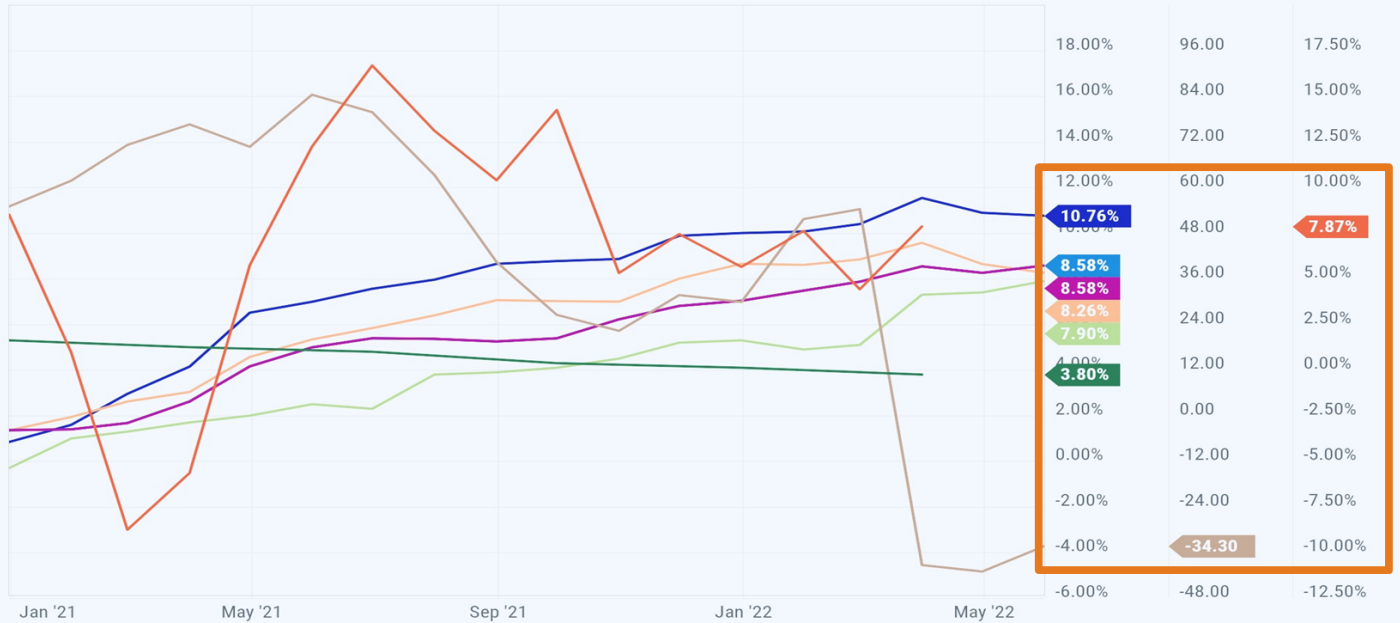
- Dow Jones Industrial Average closed at 30,364.83, down 151.91 points or 0.50%
- S&P 500 closed at 3,735.48, down 14.15 points or 0.38%.
- Nasdaq Composite closed at 10,828.35, up 19.12 points or 0.18%.
- Birling Capital Puerto Rico Stock index closed at 2,592.47, down 83.04 points or 3.10.
- The U.S. Treasury 10-year note closed at 3.49%.
- The U.S. Treasury 2-year note closed at 3.45%.

US Producer Price Index, Core Producer Price Index, German Consumer Price Index, German ZEW Indicator of Economic Sentiment, & UK Unemployment Rate



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- US Producer Price Index YoY
- US Core Producer Price Index YoY
- US Consumer Price Index YoY
- Germany Consumer Price Index YoY
- US Inflation Rate
- ZEW Indicator of Economic Sentiment for Germany
- UK ILO Unemployment Rate: Aged 16-64
- Japan Machinery Orders YoY



• Dow Jones Industrial Average Level



• S&P 500 Level



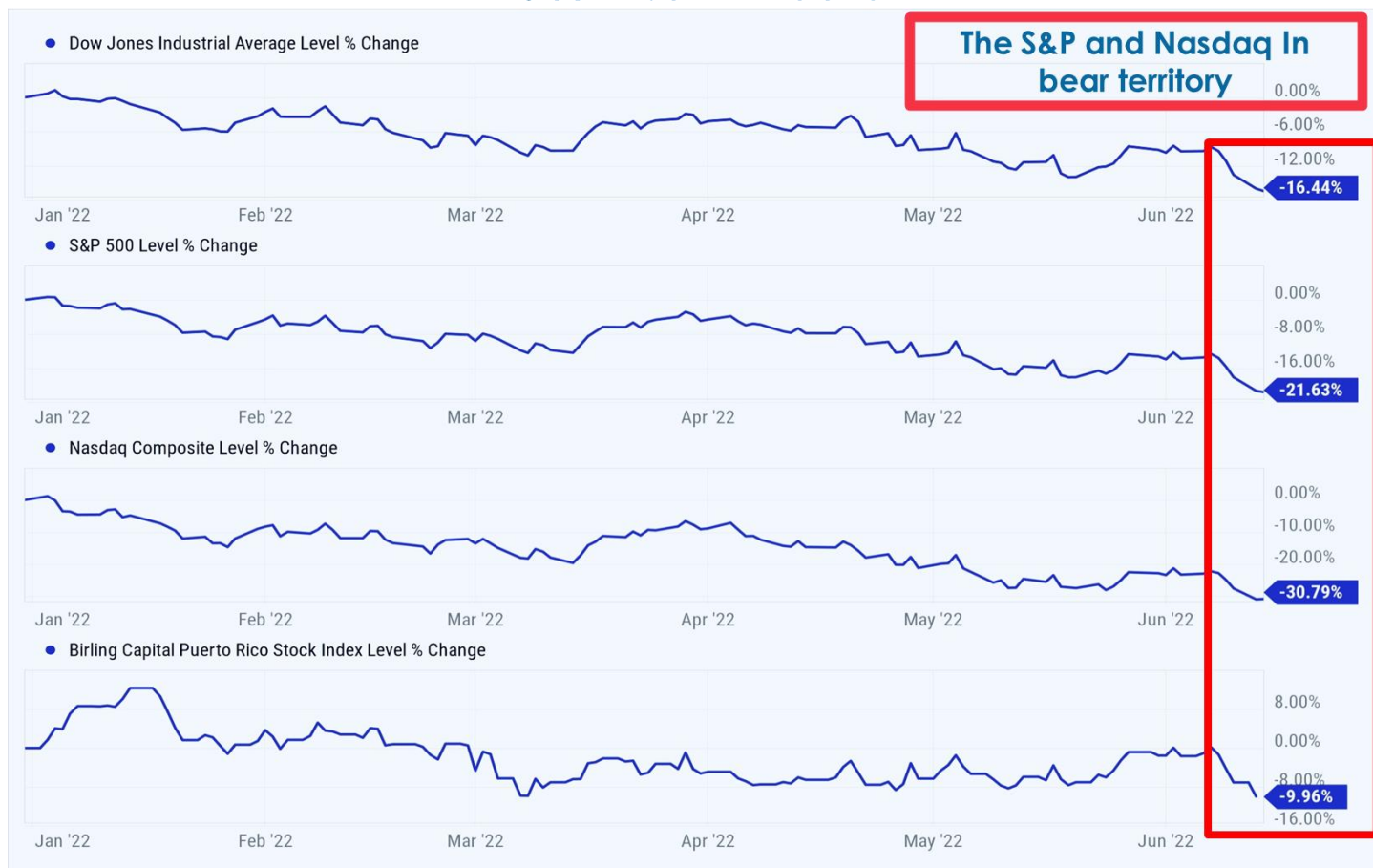
• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



www.birlingcapital.com Dow Jones, S&P 500, Nasdaq & Birling PR Stock Index YTD Returns



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