

The GDP Now Shows a 3.0% increase for 2Q24, Suggesting Resilience Amid Cooling Trends, and The Flash PMI Exceeded Expectations.

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The U.S. and European stocks ended the week predominantly lower, except for the Dow Jones, which posted a gain for the week of 708.82 points. In global markets, Asian stocks mostly declined following Japan's core inflation rate of 2.5%, which, while better than the expected 2.6%, still exerted downward pressure. European markets also closed lower.

Bond yields remained unchanged, with the 10-year Treasury yield finishing at 4.25% and the 2-year not at 4.70%.

The U.S. dollar strengthened modestly against major currencies. In the commodities sector, both WTI oil and gold saw price increases.

This morning, Markit released its preliminary Purchasing Managers' Index (Flash PMI), revealing a composite rise to 54.6 in June, surpassing the expected 53.4 and last month's 54.5. Breaking down the composite, the services PMI hit 55.1, exceeding the estimate of 53.5 and the previous 54.8, while the manufacturing PMI reached 51.7, above the forecast of 51.0 and the prior 51.3. As a diffusion index, PMI values above 50 signify expansion, whereas those below 50 indicate contraction. These figures suggest that the economy is showing steady growth and resilience.

The Conference Board's Leading Economic Index (LEI) declined by 0.5% in May, more than the anticipated 0.3% but an improvement over the previous month's 0.6% drop. The decrease was driven by a fall in new orders, weak consumer sentiment regarding future business conditions, and fewer building permits. Despite signaling a potential economic slowdown, this data, in conjunction with other recent indicators, suggests a resilient economy that is gradually cooling.

GDPNow Update:

- The **GDPNow** for the second quarter of 2024 was updated on June 20 and fell to 3.00% GDP, down from 3.10%, a decrease of 3.23%.

Key Economic Data:

- **U.S. Existing Home Sales:** fell to 4.14 million, down from 4.22 million last month, decreasing -1.90%.
- **U.K. Retail Sales YoY:** rose by 1.30%, compared to -2.30% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 515.11, down 3.80 points or 0.73%.
- **FTSE 100:** Closed at 8,237.72, down 34.74 points or 0.42%.
- **DAX Index:** Closed at 18,163.52, down 90.66 points or 0.50%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 39,150.33, up 15.57 points or 0.04%.
- **S&P 500:** closed at 5,464.62, down 8.55 points or 0.16%.
- **Nasdaq Composite:** closed at 17,689.36, down 32.23 points or 0.18%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,305.17, up 27.16 points or 0.83%.
- **Birling Capital U.S. Bank Stock Index** closed at 5,143.23, up 3.64 points or 0.07%.
- **U.S. Treasury 10-year note** closed at 4.25%.
- **U.S. Treasury 2-year note** closed at 4.70%.



GDP NOW

Date	GDPNow 2Q24	Change
4/26/24	3.90%	Initial Forecast
5/1/24	3.30%	-15.4%
5/2/24	3.30%	0.0%
5/8/24	4.20%	21.4%
5/16/24	3.60%	-16.7%
5/24/24	3.50%	-2.78%
5/31/24	2.70%	-22.86%
6/3/24	1.80%	-33.33%
6/6/24	2.60%	44.44%
6/7/24	3.10%	19.23%
6/18/24	3.10%	0.00%
6/20/24	3.00%	-3.23%



US Existing Home Sales versus 30-Year Mortgage Rate and UK Retail Sales





Wall Street Recap June 21, 2024



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