

GLOBAL MARKET SQUARE



The Dow Jones records its fourth consecutive losing session ahead of the Consumer Price Index tomorrow, and Wall Street closed mixed.

May 10, 2022

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The U.S. & European stock markets almost snapped three consecutive days of losses; however, in late trading, the Dow Jones was not as lucky, closing down, recording the fourth straight losing session. Meanwhile, the S&P 500 and the Nasdaq closed up, stopping the massive stock sell-off. All the turmoil has been driven by the Federal Reserve Banks' shift in monetary policy that increased rates by 50 basis points, and the sentiment is that the Fed may act aggressively to tame inflation. Even as Fed Chair Powell has dismissed the faster-paced interest rate increases of 75 basis points, the markets have not budged, and now the inflation pressures mixed with the slowing global growth have taken the markets drive. Additionally, the market is gearing up for tomorrow's Consumer Price Index reading, followed by the Producer Price Index, Initial claims for unemployment **on May 12**. We expect that inflation has peaked, which should show in the CPI.

Key Sectors:

As we look at the specific sectors, we note that only Energy and Utilities are positive:

- Basic Materials: YTD -9.65%
- Communication Services: YTD -25.55%.
- Consumer Cyclical: YTD -25.94%
- Consumer Defensive: YTD -0544%
- Energy: YTD 37.04%.
- Financial Services: YTD -13.16%.
- Healthcare: YTD -10.27%.
- Industrials: YTD -13.91%.
- Real Estate: YTD -17.51%.
- Technology: YTD -22.28%.
- Utilities: YTD 0.125%.

In our view, our economy entered 2022 in a strong position, with robust consumer spending and unemployment levels that are close to pre-pandemic and falling.

The Fed has said it would perform a balancing act of rising rates without causing a recession; we shall see; however, sometimes, recessions are inevitable.

Key economic data:

- ZEW Indicator of Economic Sentiment for Germany is at -34.30, up from -41.00 last month.
- China Producer Price Index YoY: fell to 8.30%, compared to 8.80% last month.
- China Inflation Rate: rose to 1.50%, compared to 0.90% last month.

Puerto Rico COVID-19 Update May 10:

- Daily Cases: 1,252, up 1.18%.
- Positivity Rate: 26.64%, up 2.77%.
- Hospitalizations: 271, up 1.84%.
- Deaths: 2
- Vaccination Rate: 87.2%
- Source Puerto Rico Department of Health.

Eurozone Summary for May 10:

- Stoxx 600 closed at 420.78, up 3.32 points or 0.80%.
- FTSE 100 closed at 7,243.22, up 26.64 points or 0.37%.
- Dax Index closed at 13,534.74, up 154.07 points or 1.15%.

Wall Street Summary for May 10:

- Dow Jones Industrial Average closed at 32,160.74, down 84.96 points or 0.26%.
- S&P 500 closed at 4,001.05, up 9.81 points or 0.25%.
- Nasdaq Composite closed at 11,737.67, up 114.42 points or 0.98%.
- Birling Capital Puerto Rico Stock index closed at 2,694.01, down 32.21 points or 1.18%.
- The U.S. Treasury 10-year note closed at 2.99%.
- The U.S. Treasury 2-year note closed at 2.62%.



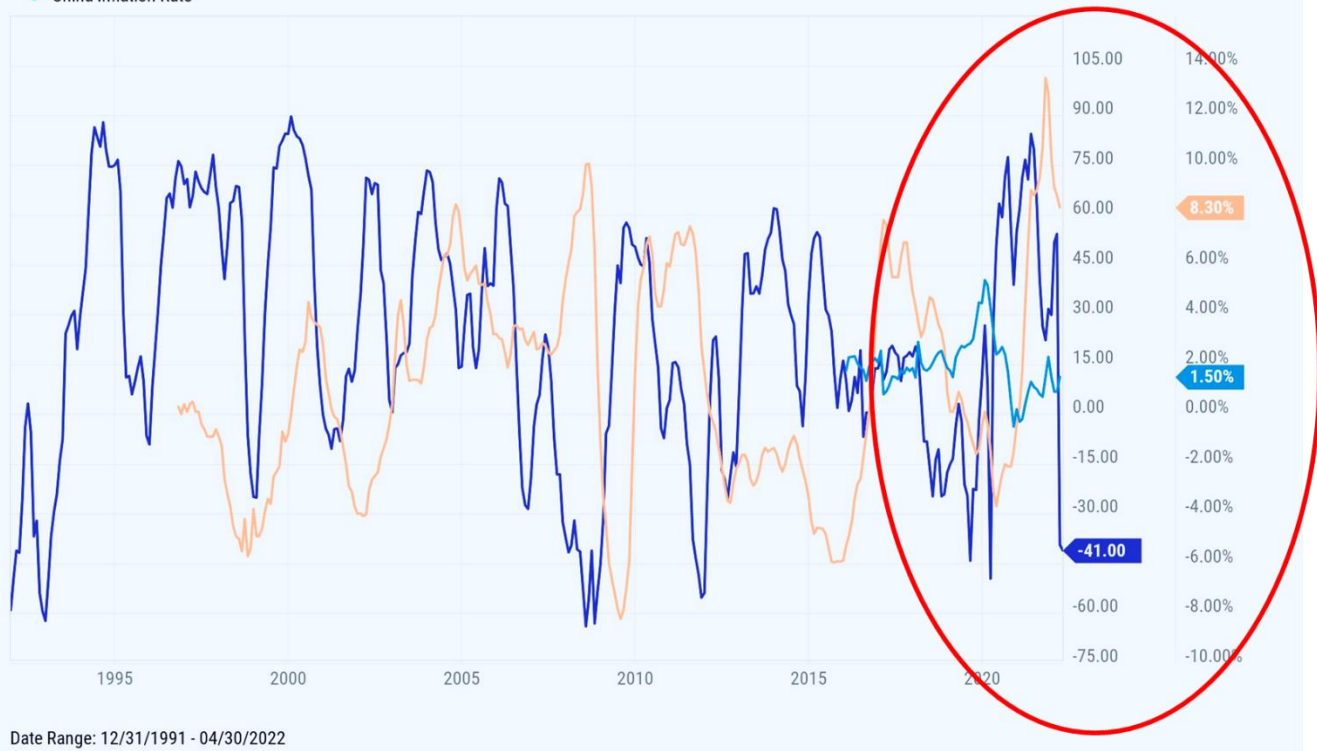
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ZEW Indicator of Economic Sentiment for Germany,
China Producer Price Index YoY & China Inflation Rate



- ZEW Indicator of Economic Sentiment for Germany
- China Producer Price Index YoY
- China Inflation Rate





Birling Capital U.S. Bank Index vs. Birling Capital Puerto Rico Stock Index: Yields through May 9, 2022





• Dow Jones Industrial Average Level



• S&P 500 Level



• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



YTD Returns



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