

# Earnings Ease Interest Rate Worries, Inflation Watch as Market Eyes April CPI Data and Wall Street Closed Mixed.

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The U.S. and European stock markets opened the week mixed; the Dow Jones fell for the first time in nine days following last week's nearly 2% rise. Bond markets remain calm, with the 10-year yield closing at 4.48%.

The cautious trading and subdued activity reflect the pivotal inflation report slated to be released on May 15. We highlight that the latest Inflation Nowcasting has the CPI at 3.50% and the Core CPI at 3.65%, more than 40% above the Fed's target inflation rate.

Revising the five key indices we follow, we note that four are close to their all-time highs, and one is at its all-time high, below the stats.

- **Dow Jones is at -0.94% off its highs.**
- **S&P 500 is at -0.63% off its highs.**
- **Nasdaq Composite is at -0.33% off its highs.**
- **Birling P.R. Stock Index is at -0.49% off its high.**
- **Birling U.S. Bank Index is at its all-time high.**

The rise in market sentiment has to do with rising corporate earnings and eased concerns over rising interest rates.

The week's spotlight shines on the April Consumer Price Index. The latest market consensus anticipates a modest 0.3% month-over-month increase in core CPI, following several months of higher-than-expected 0.4% monthly increases in the year's first three months.

A sharp decrease in inflation would be a reassuring development, crucial for validating the recent stock rally.

Consumer spending, a significant driver of GDP, is expected to remain resilient due to low unemployment rates and steady wage growth. April's retail sales figures and quarterly earnings reports from major retailers like Home Depot, Target, and Walmart will offer valuable insights into household spending trends, shaping the economic outlook. While some signs of consumer fatigue have emerged, a gradual slowdown in spending rather than a drastic collapse is anticipated, with signs of recovery in sectors like manufacturing and capital investment; this gradual shift is poised to sustain positive economic growth throughout the year.

## Key Economic Data:

- U.S. Retail Gas Price: fell to \$3.766, down from \$3.777 last week, decreasing -0.29%.

## Eurozone Summary:

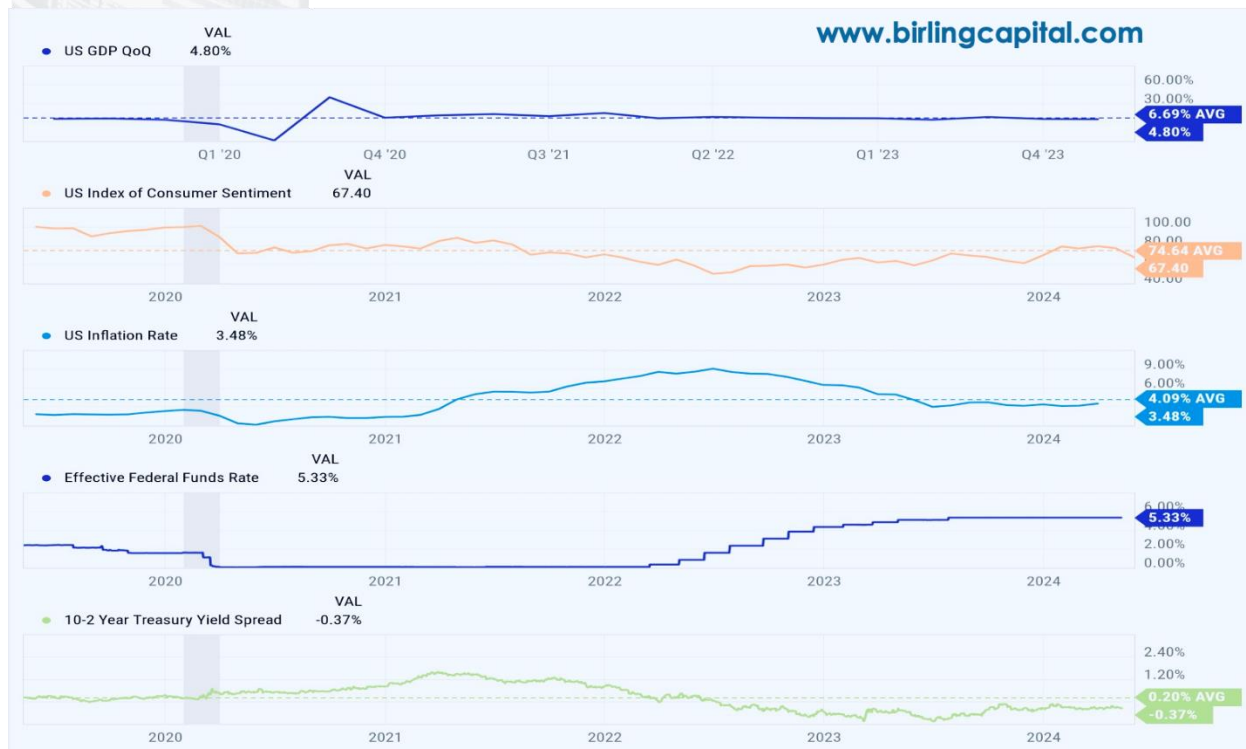
- **Stoxx 600:** closed at 520.86, up 0.100 points or 0.019%.
- **FTSE 100:** closed at 8,414.99, down 18.77 points or 0.22%.
- **Dax Index:** closed at 18,742.22, down 30.63 points or 0.16%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 39 431.51, down 81.33 points or 0.21%.
- **S&P 500** closed at 5,221.42, down 1.25 points or 0.02%.
- **Nasdaq Composite** closed at 16,388.24, up 47.37 points or 0.29%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,473.77, up 3.04 points or 0.09%.
- **Birling Capital U.S. Bank Stock Index** closed at 5,181.28, up 20.45 points or 0.40%.
- **U.S. Treasury 10-year note** closed at 4.48%.
- **U.S. Treasury 2-year note** closed at 4.85%.



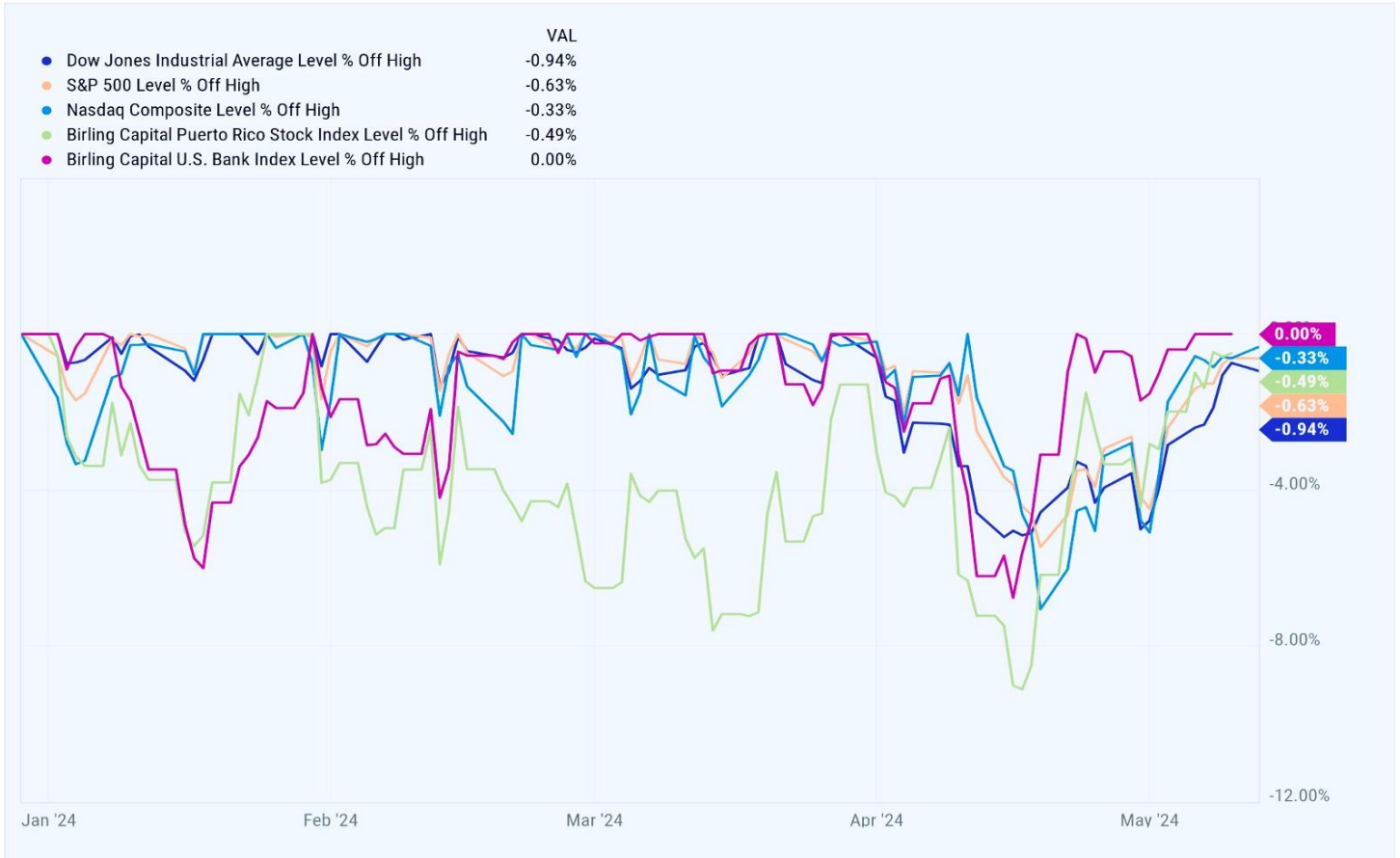
# The Economic Cycle: US GDP, US Consumer Sentiment, US Inflation Rate, Federal Funds & 10-2 Year Treasury Yield





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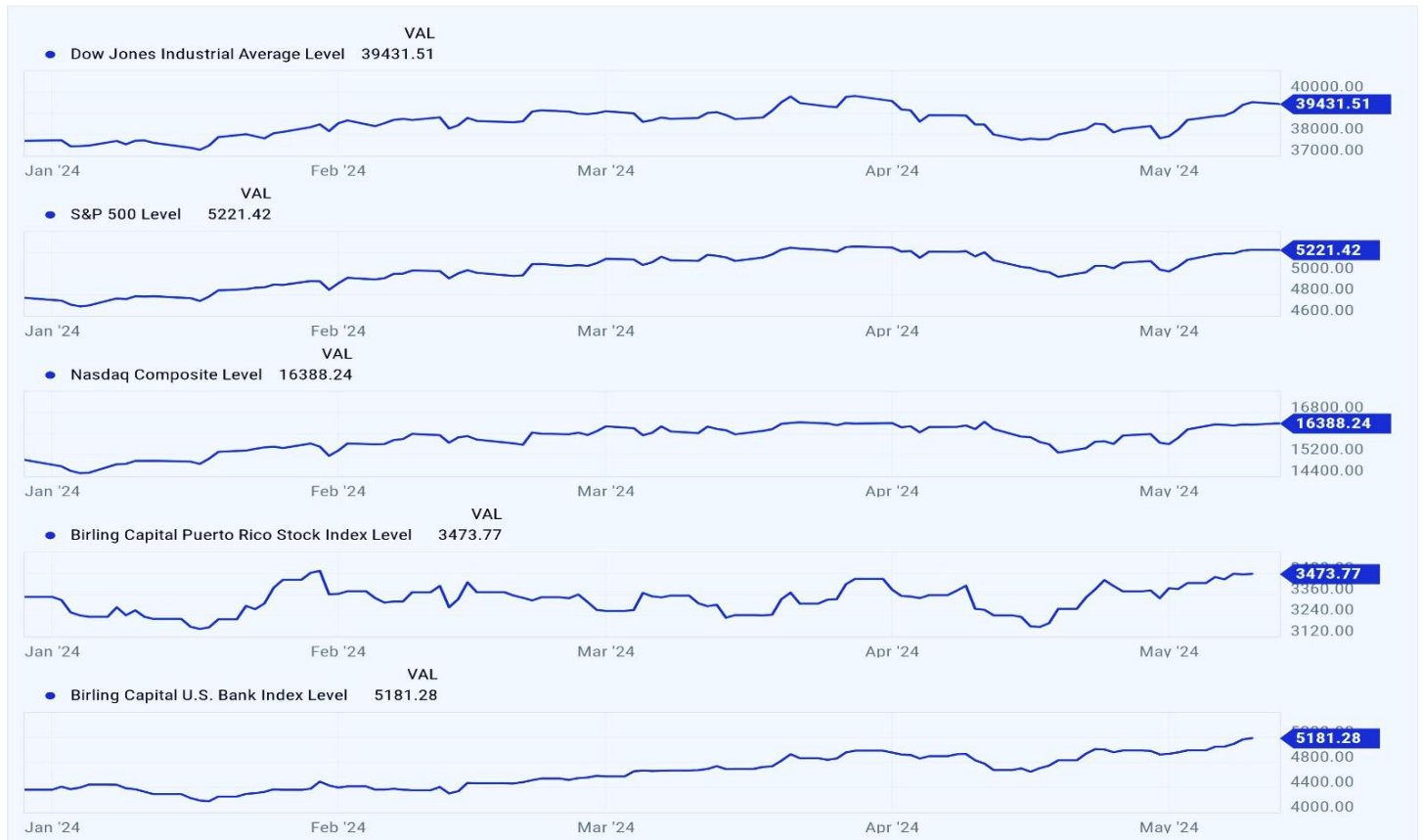
## Dow Jones, S&P 500, Nasdaq Composite, Birling P.R. Stock Index & Birling U.S. Bank Off Highs as of 5/13/24





# Wall Street Update

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