

GLOBAL MARKET SQUARE



U.S. Stocks Jump to Open November on Strong Earnings, the GDPNow at 2.30%, and Fed Rate Cut Expectations Rise.

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The U.S. and European markets opened in November with gains lifted by robust tech earnings and growing anticipation that the Federal Reserve could reduce interest rates next week. A weaker-than-expected jobs report, complicated by recent hurricanes and a Boeing strike, helped push bond yields down, easing pressure on bond prices. Amazon shares surged over 6% after the company delivered earnings above forecasts, while Intel saw a 7.81% uptick on positive guidance. Meanwhile, Apple reported adjusted earnings of \$1.64 per share and net sales of \$94.9 billion, slightly above analyst expectations. Despite the positive earnings, the stock fell over 1% in the session, reflecting investor concerns about future performance, particularly regarding iPhone sales and upcoming product launches.

The broader market sentiment remains upbeat at the start of the month, with equities performing well. Oil prices also rose by 2.5% as investors weighed potential retaliatory actions from Iran following last weekend's airstrikes.

Storms and Strike Weigh on October Jobs Report

The U.S. labor market added just 12,000 jobs in October, well below the anticipated 100,000 and 94.62% below last month's number, marking the slowest job growth since 2020. Health care and government roles led hiring, while manufacturing jobs dropped by 46,000, primarily attributed to the Boeing strike. The impact of two recent hurricanes was also evident, with a spike in workers unable to attend due to adverse weather, adding further noise to the data. Additionally, job gains in previous months were revised downward, softening prior perceptions of labor strength and reinforcing expectations that the Fed will proceed with rate cuts.

Election Uncertainty Looms

Following five months of gains, stocks saw a slight pullback in October as rising Treasury yields and uncertainty ahead of next week's U.S. elections fueled caution. It was the worst month for government bonds in two years, with yields climbing due to robust economic and inflation data that nudged Fed expectations higher. Concerns over U.S. debt also contributed to recent bond volatility. With the presidential election approaching, volatility spiked, and the VIX reached its highest since August. Despite near-term uncertainties, fundamentals remain favorable.

GDPNow Initial Fourth Quarter Forecast

- The GDPNow made the initial fourth-quarter forecast at 2.7% GDD on 10.31.24, updated today 11.1.24 to 2.30%, decreasing 14.81%.

Key Economic Data:

- **U.S. Nonfarm Payrolls MoM:** fell to 12,000, down from 223,000 last month, decreasing -94.62%.
- **U.S. Unemployment Rate:** is unchanged at 4.10%, compared to 4.10% last month.
- **U.S. Labor Force Participation Rate:** fell to 62.60%, compared to 62.70% last month.
- **U.S. Construction Spending MoM:** fell to 0.13%, compared to 0.14% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 510.90, up 5.51 points or 1.09%.
- **FTSE 100:** Closed at 8,177.15, up 67.05 points or 0.83%.
- **DAX Index:** Closed at 19,254.97, up 177.43 points or 0.93%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,052.19, up 288.73 points or 0.69%.
- **S&P 500:** closed at 5,728.80, up 23.35 points or 0.41%.
- **Nasdaq Composite:** closed at 18,239.92, up 144.77 points or 0.80%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,521.21, down 23.23 points or 0.66%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,760.30, down 52.34 points or 0.90%.
- **U.S. Treasury 10-year note:** closed at 4.37%.
- **U.S. Treasury 2-year note:** closed at 4.21%.



GDPNow

Forecasts for the Fourth Quarter

Date	GDPNow 4Q24	Change
10/31/24	2.70%	Initial Forecast
11/1/24	2.30%	-14.81%



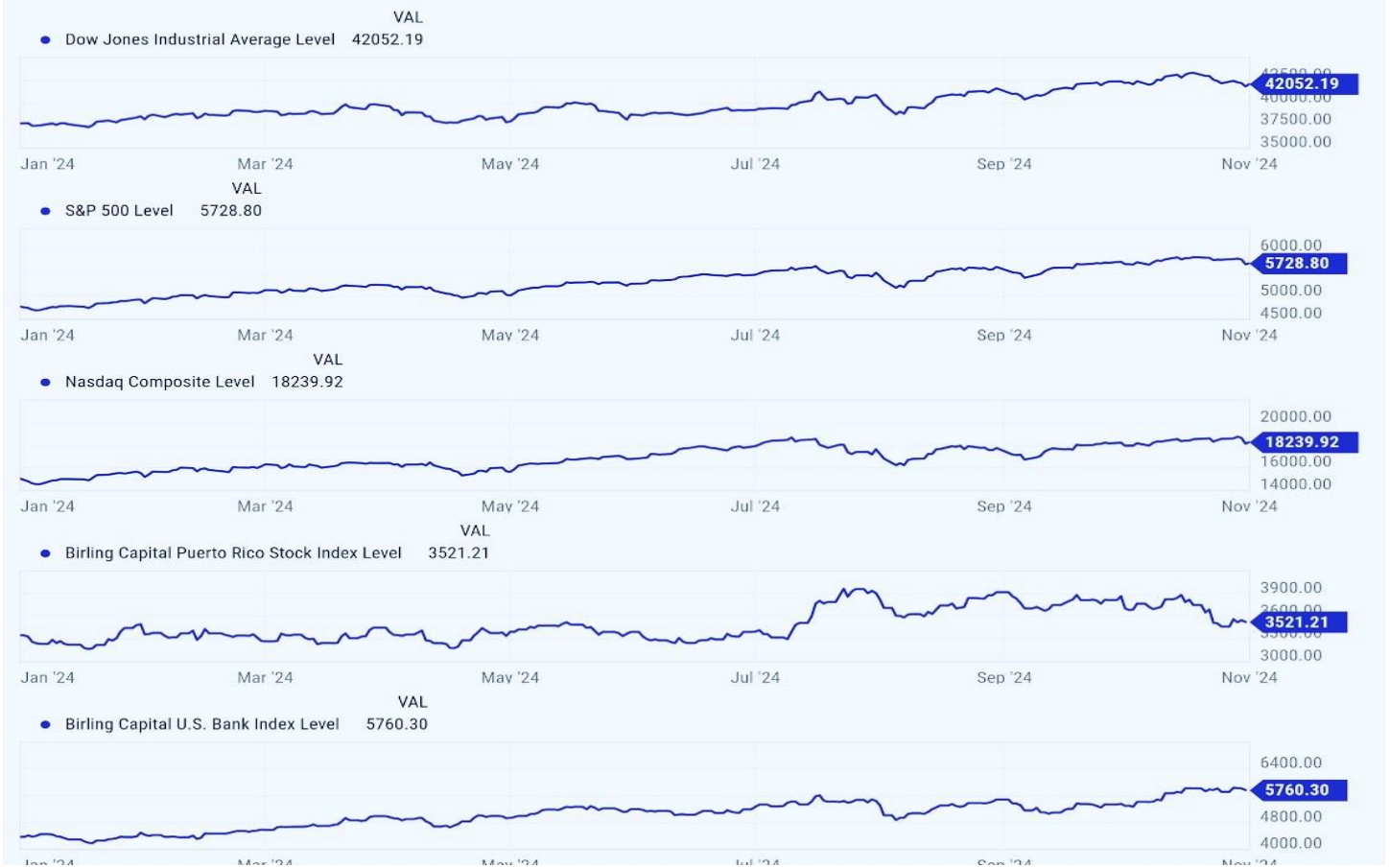
US Nonfarm Payrolls MoM, US Unemployment Rate & US Labor Force Participation Rate





Wall Street Recap

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