

The GDPNow for the Fourth Quarter Rises 2.50%, Investors Eye Inflation Data and Corporate Earnings Exceed Expectations.

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The U.S. and European markets opened the week with record highs as equity markets built on last week's substantial gains. As the markets are extremely positive over Donald Trump's landslide election. The Financials and consumer discretionary stocks are leading the charge, while bond markets remain closed in observance of Veterans Day.

European markets are posting gains, while Chinese stocks dipped as recent stimulus measures failed to meet investor expectations. Meanwhile, the U.S. dollar is strengthening against major currencies. In commodities, WTI crude oil and gold are trending lower.

Inflation in the Spotlight

This week, investors are closely watching critical inflation data. The October Consumer Price Index (CPI) in the Inflation Nowcasting has the CPI at 2.56% and the Core CPI at 3.34%. The CPI is expected to rise from 2.44%, and the Core CPI is also expected to increase from 3.26%, primarily due to lower inflation readings from last year dropping out of the annual comparison. On a monthly basis, CPI is expected to increase by 0.2%, aligning with an annualized rate of approximately 2.4%. These projections suggest gradually cooling inflation, though the trajectory will likely remain uneven.

Corporate Earnings Outperform Expectations

Corporate earnings for the third quarter have exceeded expectations, with 91% of companies in the S&P 500 reporting results. Of these, 74% have surpassed analyst forecasts, driving year-over-year earnings growth of 5.2%. Eight of the 11 market sectors have reported higher earnings, while the energy, industrials, and materials sectors, which account for less than 15% of the S&P 500's market capitalization, have seen declines. This broad earnings strength has spurred a shift in market leadership, with sectors such as consumer discretionary, financials, real estate, and industrials outperforming communication services over the past six months.

GDPNow Update:

- The GDPNow for the fourth quarter was updated on November 7, 2024, to 2.50% GDP, an increase of 4.17% from 2.40% on November 5, 2024.

Eurozone Summary:

- **Stoxx 600:** Closed at 512.3,7 up 5.74 points or 1.13%.
- **FTSE 100:** Closed at 8,125.19, up 52.80 points or 0.65%.
- **DAX Index:** Closed at 19,448.60, up 233.12 points or 1.21%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,293.13, up 304.14 points or 0.69%.
- **S&P 500:** closed at 6,001.35, up 5.81 points or 0.10%.
- **Nasdaq Composite:** closed at 19,298.76, up 11.99 points or 0.06%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,813.33, up 2.16 points or 0.06%.
- **Birling Capital U.S. Bank Stock Index:** closed at 6,301.21, up 50.03 points or 0.80%.
- **U.S. Treasury 10-year note:** markets are closed.
- **U.S. Treasury 2-year note:** markets are closed.



GDPNow

Forecasts for the Fourth Quarter

Date	GDPNow 4Q24	Change
10/31/24	2.70%	Initial Forecast
11/1/24	2.30%	-14.81%
11/5/24	2.40%	4.35%
11/7/24	2.50%	4.17%

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