

Wall Street Pauses Post-Election Rally, Amid A Higher Producer Price Index and Lower Jobless Claims, While Europe Sees Gains.

November 14, 2024

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European markets closed with mixed results; investors paused the post-election rally on Wall Street, with all indexes closing with losses. Overall sector performance is mostly down, though financial and energy stocks show the most significant gains. Bond yields for the 10-year U.S. Treasury fell slightly, closing at 4.43%, while 2-year notes rose to 4.34%. Europe closed with gains, while Asia mainly saw declines. The U.S. dollar is strengthening against key currencies and commodities, WTI oil has rebounded after a recent downturn.

Back to Inflation, the Producer Price Index (PPI) for October rose to an annualized 2.40%, surpassing the expected 2.3%. The core PPI, which excludes volatile food and energy prices, also increased to 3.13%, above the anticipated 3.0%. These figures suggest that Inflation is continuing its gradual moderation, though the decline may be uneven, at times slower than the market expects. Nonetheless, we expect this trend to support the Federal Reserve's ongoing interest rate reduction cycle.

On the labor markets, the Jobless claims fell slightly to 217,000 last week, below the forecasted 224,000, suggesting a resilient labor market gradually returning to normal after unusually strong growth. Employers are easing off hiring, but significant layoffs have not yet materialized. The job openings are at 7.443 million, and the number of job seekers is 6.12 million, a 17.75% difference, the lowest number since January 2021.

With unemployment at 4.1%, disposable income should remain robust, supporting ongoing consumer spending. A cooling labor market may also lead to slower wage growth, which typically helps reduce service inflation.

Key Economic Data:

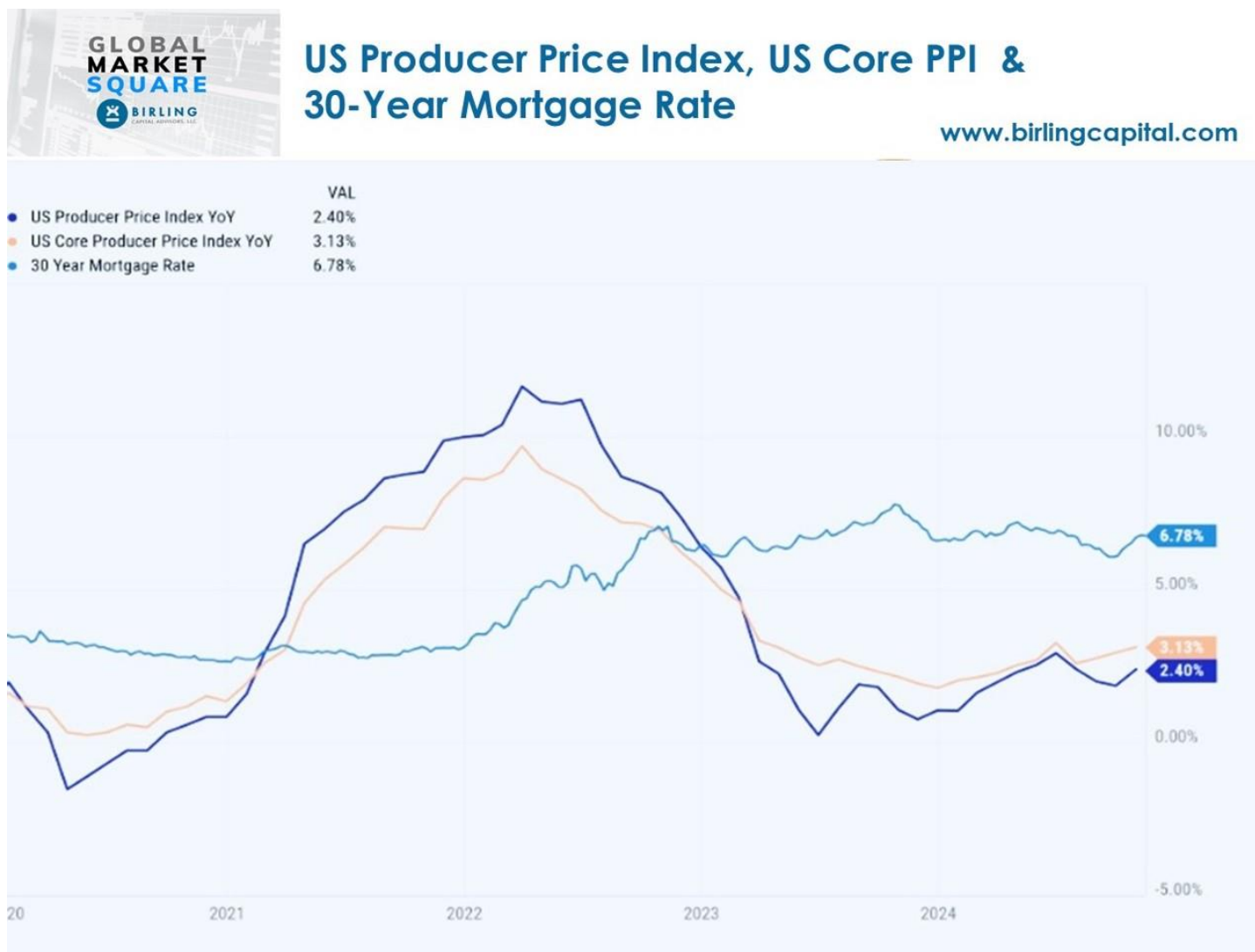
- **U.S. Producer Price Index YoY:** rose to 2.40%, compared to 1.87% last month.
- **U.S. Core Producer Price Index YoY:** rose to 3.13%, compared to 2.95% last month.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 217,000, down from 221,000 last week, decreasing -1.81%.
- **30-Year Mortgage Rate:** rose to 6.79%, compared to 6.72% last week.
- **Eurozone Industrial Production Index YoY:** rose to 0.10%, compared to -2.10% last month.
- **Japan Real GDP QoQ:** rose to 0.70%, compared to -0.60% last quarter.
- **Japan Industrial Production Index MoM:** rose to 1.40%, compared to -3.30% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 507.02, up 5.43 points or 1.08%.
- **FTSE 100:** Closed at 8,071.19, up 40.86 points or 0.51%.
- **DAX Index:** Closed at 19,242.73, up 239.62 points or 1.26%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,750.86, down 207.33 points or 0.47%.
- **S&P 500:** closed at 5,949.17, down 36.21 points or 0.60%.
- **Nasdaq Composite:** closed at 19,109.65, down 122.07 points or 0.64%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,867.10, down 22.00 points or 0.57%.
- **Birling Capital U.S. Bank Stock Index:** closed at 6,416.68, up 14.46 points or 0.23%.
- **U.S. Treasury 10-year note:** closed 4.43%.
- **U.S. Treasury 2-year note:** closed 4.34%.



US Initial Claims for Unemployment, US Job Openings and US Job Seekers

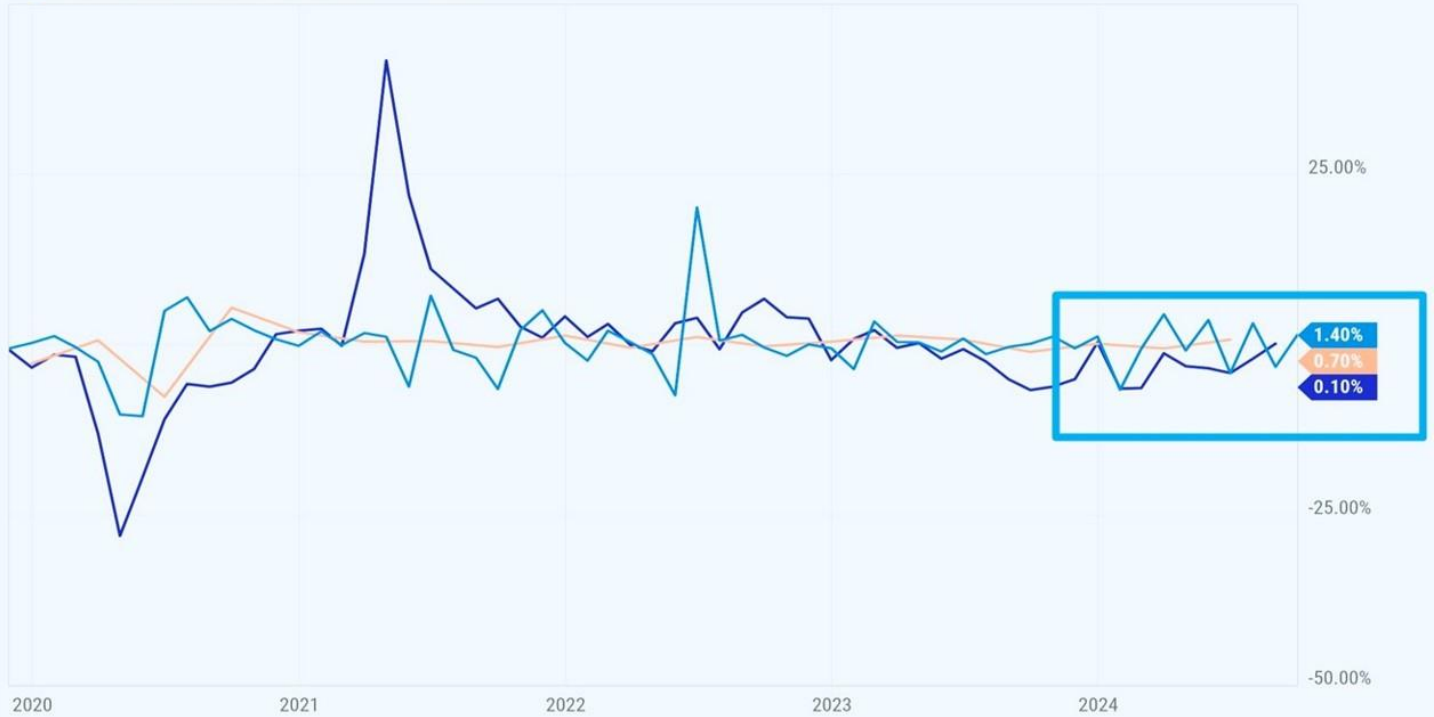




Eurozone Industrial Production Index YoY, Japan Real GDP QoQ & Japan Industrial Production Index MoM

www.birlingcapital.com

	VAL
● Eurozone Industrial Production Index YoY	0.10%
● Japan Real GDP QoQ	0.70%
● Japan Industrial Production Index MoM	1.40%



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.