

# GLOBAL MARKET SQUARE



## Wall Street Rallies Post-Fed Rate Cut with Best Week Since 2023, While Global Markets Brace for CPI and China Debt Relief.

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The U.S. and European markets closed with mixed results, as investors on both side of the Atlantic are assessing the US election results and what will it mean to both the US and the Eurozone mixed with the Fed's 25 basis points rate cut. Wall Street remains in positive territory for the week. The indexes we follow all recorded gains during the week as follows, The Dow Jones rose 4.60%. The S&P 500 surged 4.71%, The Nasdaq rose 5.70%, the Birling Puerto Rico Stock Index rose 8.18% and The Birling US Bank Index rose 9.86%, one of the best weeks since November 2023 if the momentum holds.

European markets are slightly lower, mirroring a mostly negative session in Asian markets overnight. Meanwhile, bond yields are showing mixed movements. The 2-year Treasury yield rose to closed at 4.26%, while the 10-year Treasury yield close at 4.30%.

### Inflation Takes Center Stage in the Week Ahead

Following the conclusion of the Federal Open Market Committee (FOMC) meeting yesterday, where the Fed enacted a 0.25% interest-rate cut, markets are now shifting focus to inflation data. The October Consumer Price Index (CPI) report, due Wednesday, will be a key determinant of monetary policy expectations.

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%.

Despite inflation having eased significantly compared to last year, it remains above the Federal Reserve's 2% target. Fed Chair Jerome Powell emphasized that future decisions will hinge on incoming economic data, noting that the risks to employment and inflation goals are balanced.

We expect the Fed to implement another 0.25% rate cut at its December meeting, barring an upside inflation surprise.

### China Unveils Debt Relief, But Stimulus Hopes Dim

Overnight, Chinese policymakers approved a \$1.4 trillion package aimed at alleviating local government debt. However, the announcement lacked additional fiscal stimulus to address weak consumer spending and the ailing property market, dampening investor sentiment. As a result, Chinese equities ended lower.

While the measures signal intent to stabilize financial risks, the absence of broader stimulus underscores lingering challenges in China's economic recovery. For emerging-market equities, we see a balanced risk-reward outlook and recommend neutral positioning within diversified portfolios.

### Key Economic Data:

- **U.S. Index of Consumer Sentiment:** rose to 73.00, up from 70.50 last month, increasing 3.55%.
- **Target Federal Funds Rate Upper Limit:** fell to 4.75%, compared to 5.00% yesterday.

- **Canada Employment Net Change:** fell to 14,500, down from 46,700 last month, decreasing - 68.95%.
- **Canada Unemployment Rate:** is unchanged at 6.50%, compared to 6.50% last month.
- **Canada Labour Force Participation Rate:** fell to 64.80%, compared to 64.90% last month.
- **Japan Business Conditions Composite Coincident Index:** rose to 115.70, up from 114.00 last month.
- **China Producer Price Index YoY:** fell to -2.80%, compared to -1.80% last month.
- **China Inflation Rate:** fell to 0.40%, compared to 0.60% last month.

#### Eurozone Summary:

- **Stoxx 600:** Closed at 506.63, down 3.29 points or 0.65%.
- **FTSE 100:** Closed at 8,072.39, down 68.35 points or 0.84%.
- **DAX Index:** Closed at 19,215.48, down 147.04 points or 0.73%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,988.99, up 259.55 points or 0.59%.
- **S&P 500:** closed at 5,995.54, up 22.54 points or 0.38%.
- **Nasdaq Composite:** closed at 19,286.78, up 17.32 points or 0.09%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,811.17, down 134.43 points or 3.41%.
- **Birling Capital U.S. Bank Stock Index:** closed at 6,251.18, down 164.77 points or 2.57%.
- **U.S. Treasury 10-year note:** closed at 4.30%.
- **U.S. Treasury 2-year note:** closed at 4.26%.



## Inflation Nowcasting CPI & Core CPI

Inflation Nowcasting	CPI	Core CPI	Updated
October	2.56%	3.34%	11.8.24



# Federal Reserve Bank Interest Rate Actions

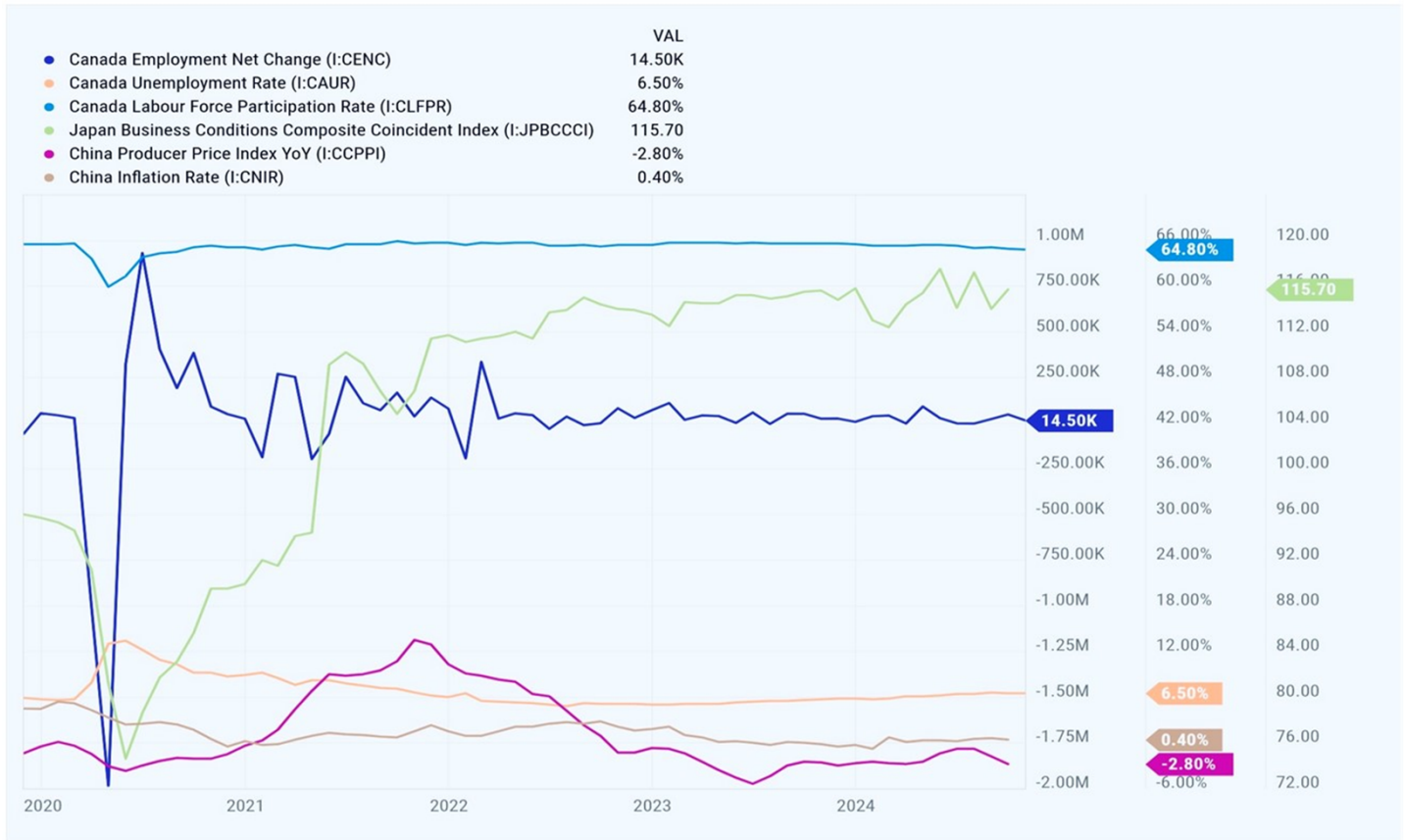
Date	Change	Fed Funds Rate	Prime Rate
11/7/2024	<b>-0.25%</b>	4.50%-4.75%	7.75%
9/18/2024	<b>-0.50%</b>	4.75%-5.00%	8.00%
7/31/2024	No Change	5.25%-5.50%	8.50%
6/12/2024	No Change	5.25%-5.50%	8.50%
5/1/2024	No Change	5.25%-5.50%	8.50%
3/20/2024	No Change	5.25%-5.50%	8.50%
1/31/2024	No Change	5.25%-5.50%	8.50%
12/13/2023	No Change	5.25%-5.50%	8.50%
11/1/2023	No Change	5.25%-5.50%	8.50%
9/20/2023	No Change	5.25%-5.50%	8.50%
7/26/2023	0.25%	5.25%-5.50%	8.50%
5/3/2023	0.25%	5.00%-5.25%	8.25%
3/22/2023	0.25%	4.75%-5.00%	8.00%
2/1/2023	0.25%	4.50%-4.75%	7.75%
12/14/2022	0.50%	4.25%-4.50%	7.50%
11/2/2022	0.75%	3.75%-4.00%	7.00%
9/21/2022	0.75%	3.00%-3.25%	6.25%
7/27/2022	0.75%	2.25%-2.50%	5.50%
6/16/2022	0.75%	1.50%-1.75%	4.75%
5/5/2022	0.50%	0.75%-1.00%	4.00%
3/17/2022	0.25%	0.25%-0.50%	3.50%



# US Index of Consumer Sentiment, Target Feds Fund Rate Upper Limit, Target Feds Funds Rate Lower Limit & Effective Fed Funds Rate



# Canada Employment Net Change, Canada Unemployment Rate, Canada Labour Participation Rate, Japan Business Conditions, China PPI & China Inflation Rate



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