

# Global Markets Struggle Amid Geopolitical Tensions and U.S. Port Worker Strikes.

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The U.S. and European stock markets closed with losses as Geopolitical tensions and concerns over striking U.S. port workers continue to impact the broader market sentiment.

European markets had a mixed closing; the U.K.'s FTSE 100, the DAX index, and the Stoxx 600 all closed down, reacting to global economic data and sector-specific factors in Europe.

Asian markets presented a mixed picture: Japan's Nikkei surged nearly 2%, while Hong Kong's Hang Seng Index fell about 1.5%, marking its first decline in six sessions. The Hang Seng has rallied more than 20% since September 23, driven by economic stimulus measures announced by Chinese policymakers. Meanwhile, U.S. bond yields are ticking upward, and the 10-year Treasury yield closed at 3.85%.

Today, the I.S.M. Services PMI for September rose to 54.90, rising 6.60% and offering a superb prognosis for the U.S. services sector.

Labor markets remain robust; this week has provided a steady stream of labor market data pointing to strong job conditions. The Job Openings and Labor Turnover Survey (JOLTS) for August revealed an increase in job openings to 8.04 million, surpassing expectations and July's figure of 7.7 million. The job-openings-to-unemployed ratio stood at 1.1, consistent with the 10-year average and well above the long-term average of 0.74. This suggests that while labor demand has cooled, it remains solid relative to historical norms.

Additionally, the A.D.P. private employment report showed a gain of 143,000 jobs in September, exceeding the prior month's increase of 103,000 and the consensus forecast of 125,000. Gains were widespread, with notable growth in goods-producing sectors, such as construction and mining, and services sectors, like leisure and hospitality. Initial jobless claims ticked slightly to 225,000 this week, still low by historical standards. Tomorrow's release of the nonfarm payrolls report for September is expected to show an increase of 140,000 jobs, with the unemployment rate holding steady at 4.2%. The data suggests that while the labor market is gradually cooling, it remains resilient.

Market sentiment hit by port strikes and geopolitical risks: Despite strong labor market data, equities have seen modest declines this week, weighed down by port worker strikes and geopolitical tensions in the Middle East. Earlier this week, Iran launched roughly 200 missiles at Israel, most of which were intercepted. Israel has vowed retaliation, raising concerns about potential disruptions to oil supply, driving crude oil prices up by about 2% today and 5% for the week. While the U.S. has bolstered its energy independence in recent years, limiting some of the risks associated with oil supply disruptions, these tensions rattle markets. Simultaneously, the strike of 45,000 dockworkers at East and Gulf Coast ports is now on its third day. Although the Biden administration has urged negotiations, President Biden has made it clear that his administration will not intervene directly to end the strike. Short-term

impacts are anticipated, though likely less severe than the supply chain disruptions seen during the pandemic. Additionally, many firms had increased inventory earlier this year in anticipation of strikes, which may cushion the immediate effects.

### Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** rose to 225,000, up from 219,000, increasing 2.74%.
- **U.S. Durable Goods New Orders MoM:** fell to 0.05%, compared to 9.82% last month.
- **U.S. ISM Services PMI:** rose to 54.90, up from 51.50 last month, increasing 6.60%.
- **U.S. ISM Services Employment Index:** fell to 48.10, down from 50.20 last month.
- **U.S. ISM Services New Orders Index:** rose to 59.40, up from 53.00 last month, increasing 12.08%.
- **U.S. ISM Services Prices Paid Index:** rose to 59.40, up from 57.30 last month, increasing 3.66%.
- **30-Year Mortgage Rate:** rose to 6.12%, compared to 6.08% last week.

### Eurozone Summary:

- **Stoxx 600:** Closed at 516.29, down 4.85 points or 0.93%.
- **FTSE 100:** Closed at 8,282.52, down 8.34 points or 0.10%.
- **DAX Index:** Closed at 19,015.41, down 149.34 points or 0.74%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,011.59, down 184.93 points or 0.44%.
- **S&P 500:** closed at 5,699.94, down 0 9.60 points or 0.17%.
- **Nasdaq Composite:** closed at 17,918.48, down 6.65 points or 0.04%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,677.71, down 25.98 points or 0.70%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,297.40, up 7.13 points or 0.13%.
- **U.S. Treasury 10-year note:** closed at 3.85%.
- **U.S. Treasury 2-year note:** closed at 3.70%.

# US ISM Services PMI, US ISM Services New Orders, US ISM Services Employment Index, US ISM Services Prices Paid, US Durable Goods New Orders MoM and 30-Year Mortgage Rate

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● US ISM Services PMI (I:ISMNMI)	54.90
● US ISM Services New Orders Index (I:ISMNNOI)	59.40
● US ISM Services Employment Index (I:ISMNMEI)	48.10
● US ISM Services Prices Paid Index (I:ISMNMPI)	59.40
● US Durable Goods New Orders MoM (I:USCDGNO)	0.05%
● 30 Year Mortgage Rate (I:US30YMR)	6.12%



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





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