

U.S. and European Stocks Extend Losses Amid Market Volatility; Nasdaq Edges Higher by 0.18%.

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The U.S. and European stock markets continued in the loss column, except for the Nasdaq Composite, which closed up 0.18%. Sector performance remains generally weak, with consumer staples and energy stocks leading the gains. Despite the recent volatility, the Nasdaq Composite has increased 23.73% YTD, the S&P 500 has risen 22.67% YTD, the Dow Jones has risen 13.89%, the Birling Capital PR Stock Index has risen 9.12%, and leading the pack, the Birling US Bank Index has risen 31.34% YTD. In international markets, Asian stocks mostly trended downward, while European markets also fell today. The U.S. dollar continues to strengthen against major global currencies. In commodities, both WTI oil and gold are on the rise.

Corporate earnings season is heating up, and third-quarter earnings are coming in stronger than expected. Of the companies reported, 76% have exceeded analysts' estimates, with an average earnings surprise of 6.1%. *Earnings growth is projected across nine of the 11 sectors, reflecting a broad-based improvement year-over-year.* This widespread earnings strength is now driving market returns, as utilities, financials, and industrials have joined the tech and communications services ranks, each up more than 20% YTD, underscoring increasing market breadth.

Bond yields continue to edge higher: Yields on bonds are extending the upward trend seen in recent weeks. The 10-year Treasury yield closed at 4.20%, climbing more than 50 basis points since its September low, due to reduced expectations for Federal Reserve interest-rate cuts, which are anticipated to be around 1.5% over the next 12 months. The Fed's focus on maintaining maximum employment and price stability is becoming more balanced as the labor market cools from intense growth and inflation gradually subsides. In this context, we expect the Fed to proceed with rate cuts. Lower rates should ease borrowing costs for businesses and consumers, boosting economic growth and corporate earnings.

Key Economic Data:

- **Richmond Fed Manufacturing Index:** is at a current level of -14.00, up from -21.00 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 520.40, down 1.12 points or 0.21%.
- **FTSE 100:** Closed at 8,306.54, down 11.70 points or 0.14%.
- **DAX Index:** Closed at 19,421.91, down 39.28 points or 0.20%.

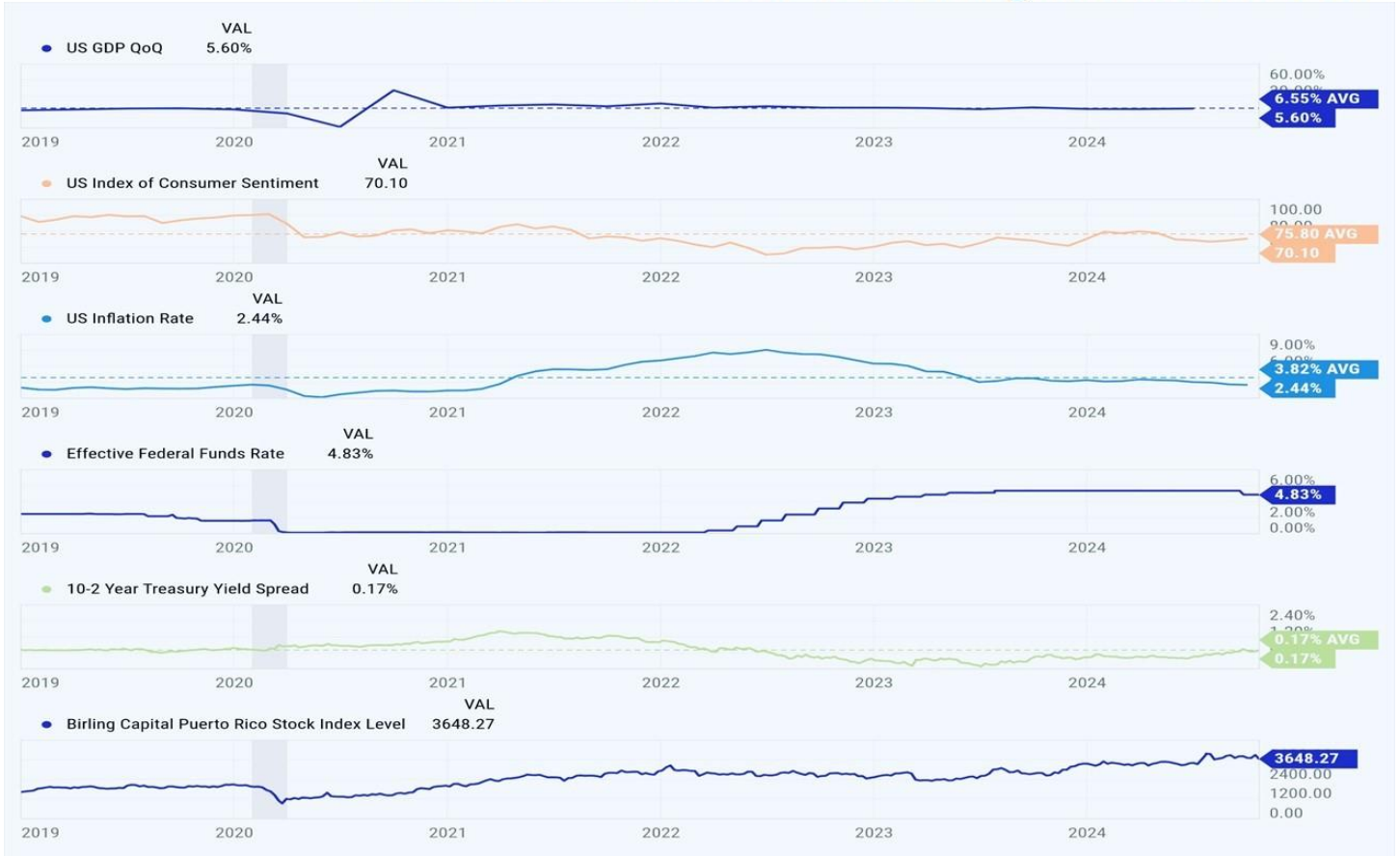
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,924.89 down 6.71 points or 0.02%.
- **S&P 500:** closed at 5,851.20, down 2.78 points or 0.05%.

- **Nasdaq Composite:** closed at 18,573.13, up 33.12 points or 0.18%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,648.27, down 96.63 points or 2.58%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,725.46, down 85.66 points or 1.47%.
- **U.S. Treasury 10-year note:** closed at 4.20%.
- **U.S. Treasury 2-year note:** closed at 4.03%.



The Economic Cycle: US GDP QoQ, US Index of Consumer Sentiment, US Inflation Rate, Effective Feds Fund Rate & Birling PR Stock Index





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