GLOBAL MARKET SQUARE
BIRLING CAPITAL ADVISORS, LLC

Weaker than expected economic data alleviates fears of increasing interest rates and Wall Street rallies.

October 4, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets continued the second consecutive session as investors reacted to the weak economic data reported so far in the week that seems to be easing fears about more significant interest rate increases. The economic data that we point out includes lower ISM Manufacturing PMI, Construction spending, and Durable Goods New Orders MoM; however, the Manufacturing shipments rose slightly by 0.49%. Another extensively analyzed nugget that could reduce the pace of interest rate increases is Job Openings, which fell from 11.17 million to 10.05 million or 10% less, well below the consensus estimates of 10.8 million. Still, there is a deficit between the Job Seekers of 5.39 million vs. job openings of 46.36%.

The four indexes have risen sharply since 9/30; let's see:

- Dow Jones Industrial Average rose 1,590.81 points or 5.54%.
- Standard & Poor's 500 rose 205.22 points or 5.72%.
- Nasdaq Composite rose 601.38 points or 5.69%.
- Birling Puerto Rico Stock Index rose 65.09 or 2.58%.

Key Economic Data:

- **U.S. Job Openings: Total Nonfarm:** fell to 10.05 million, down from 11.17 million last month, decreasing -10.00%.
- **U.S. Durable Goods New Orders MoM:** fell to -0.18%, compared to -0.13% last month.
- **U.S. Durable Goods Excluding Transportation New Orders MoM:** rose to 0.28%, compared to 0.15% last month.
- **U.S. Manufacturing Shipments:** rose to 547.94 billion, up from 545.28 billion last month, increasing 0.49%.

Puerto Rico COVID-19 Update October 4:

- Daily Cases: 132, lack of power is impacting the data.
- Positivity Rate: 14.36%
- Hospitalizations: 207
- Deaths: 2
- Source Puerto Rico Department of Health.

Eurozone Summary for October 4:

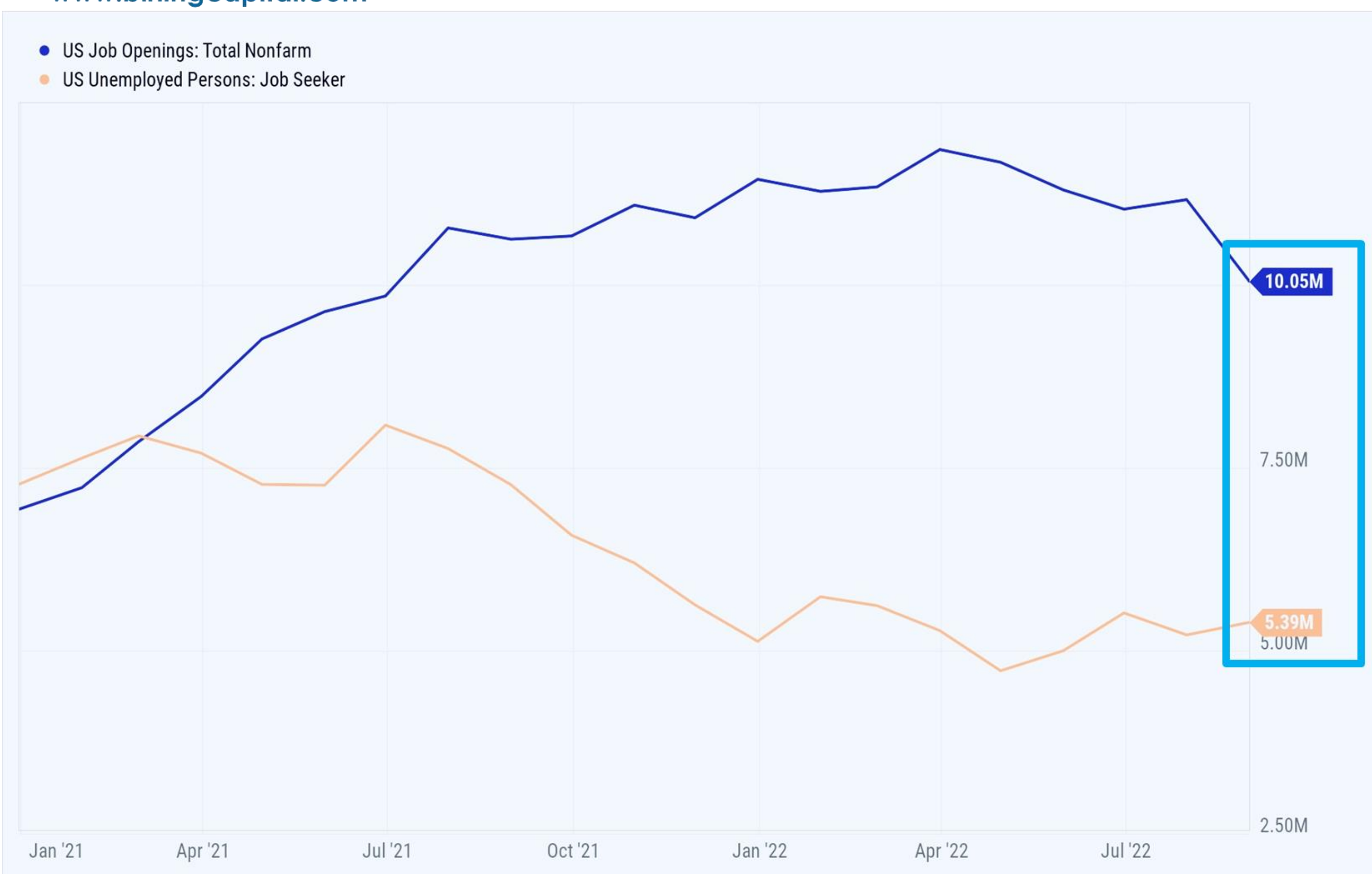
- Stoxx 600 closed at 403.03, up 12.20 points or 3.12%.
- FTSE 100 closed at 7,086.46, up 177.70 points or 2.57%.
- Dax Index closed at 12,670.48, up 461.00 points or 3.78%.

Wall Street Summary for October 4:

- Dow Jones Industrial Average closed at 30,316.32, up 825.43 points or 2.80%.
- S&P 500 closed at 3,790.93, up 112.50 points or 3.06%.
- Nasdaq Composite closed at 11,176.40, up 360.97 points or 3.34%%.
- Birling Capital Puerto Rico Stock index closed at 2,590.17, up 65.09 points or 2.56%.
- The U.S. Treasury 10-year note closed at 3.82%.
- The U.S. Treasury 2-year note closed at 4.10%.

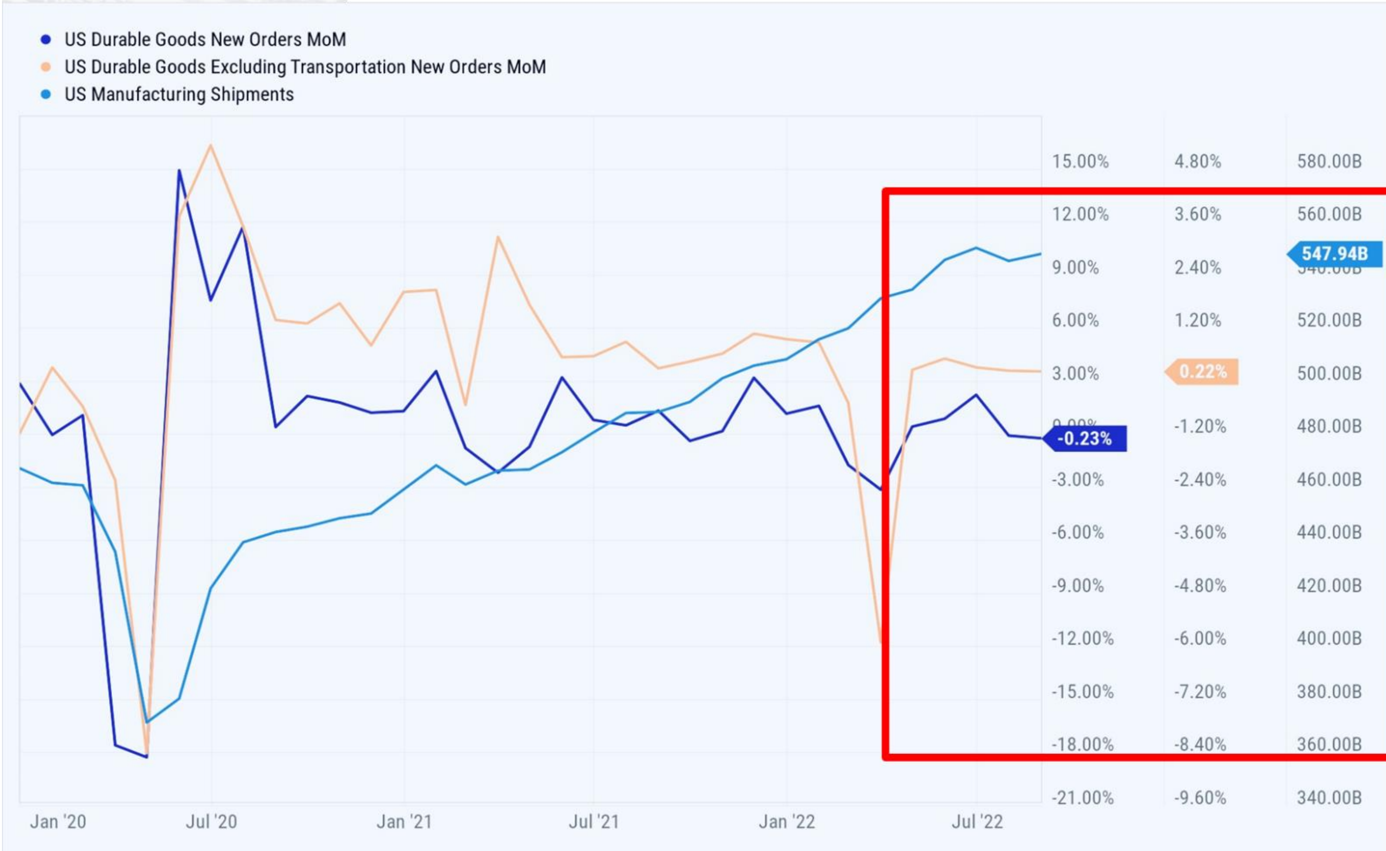
www.birlingcapital.com

U.S. Job Openings: Total Nonfarm: fell to 10.05 Million, down from 11.17 Million last month, decreasing -10.00%



US Durable Good New Orders MoM, US Durable Goods Excluding Transportation & US Manufacturing Shipments

www.birlingcapital.com



Wall Street Recap

October 4, 2022

www.birlingcapital.com

Wall Street October 4, 2022

YTD Returns