

# GLOBAL MARKET SQUARE



## The Dow Jones Hits a Record High, U.S. Dollar Strengthens, Economic Data Signals Slower Growth in Services, Contraction in Manufacturing, and Wall Street Surges.

September 23, 2024

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets began the week by building last week's momentum as the major equity markets closed with strong gains, and the Dow Jones Industrial Average hit a new record high, a signal of optimism for the future.

Asia showed mixed results in global markets as China's central bank kept interest rates unchanged while European markets leaned higher. Meanwhile, the U.S. dollar strengthened against major currencies. In commodities, both WTI oil and gold saw price gains.

Key Economic indicators offered mixed signals, with the S&P Global Flash Composite PMI for September slipped to 54.4, missing the forecast of 55.1. The services sector, which dominates the index, eased to 55.4, though it still surpassed expectations of 55.0. On the other hand, the manufacturing PMI fell to 47.0, well below the anticipated 48.5. With figures above 50.0 signaling growth, services continue to expand, albeit at a slower rate, while manufacturing contracts. These patterns align with a cooling economy that avoids a sharp downturn, supporting the "soft landing" outlook for the U.S.

Bond yields are ticking up, with the 10-year Treasury yield closing at 3.75%. Current bond market pricing suggests expectations for a 2.0% reduction in Federal Reserve interest rates over the next year, bringing the fed funds rate below 3.0%. As the labor market cools and inflation stabilizes, the Fed seems positioned to reduce rates further in the coming months. Lower rates ease borrowing costs for businesses and consumers, potentially boosting economic growth and corporate profitability.

### The Federal Reserve Bank Projections.

#### Benchmark 2024 2025 2026

**Gross Domestic Product** 2.0% 2.0% 2.0%

**Unemployment Rate** 4.4% 4.4% 4.3%

**PCE** 2.3% 2.1% 2.0%

**Core PCE** 2.6% 2.2% 2.0%

**Fed Funds Rate** 4.4% 3.4% 2.9%

### Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.307, down from \$3.36 last week, decreasing -1.58%.
- **China Exports YoY:** rose to 8.73%, compared to 7.01% last month.
- **China Imports YoY:** fell to 0.46%, compared to 7.11% last month.
- **China Trade Balance:** rose to 91.02 billion, up from 84.72 billion last month, increasing 7.44%.

## Eurozone Summary:

- **Stoxx 600:** Closed at 516.32, up 2.06 points or 0.40%.
- **FTSE 100:** Closed at 8,259.71, up 29.72 points or 0.36%.
- **DAX Index:** Closed at 18,846.79, up 126.78 points or 0.68%.

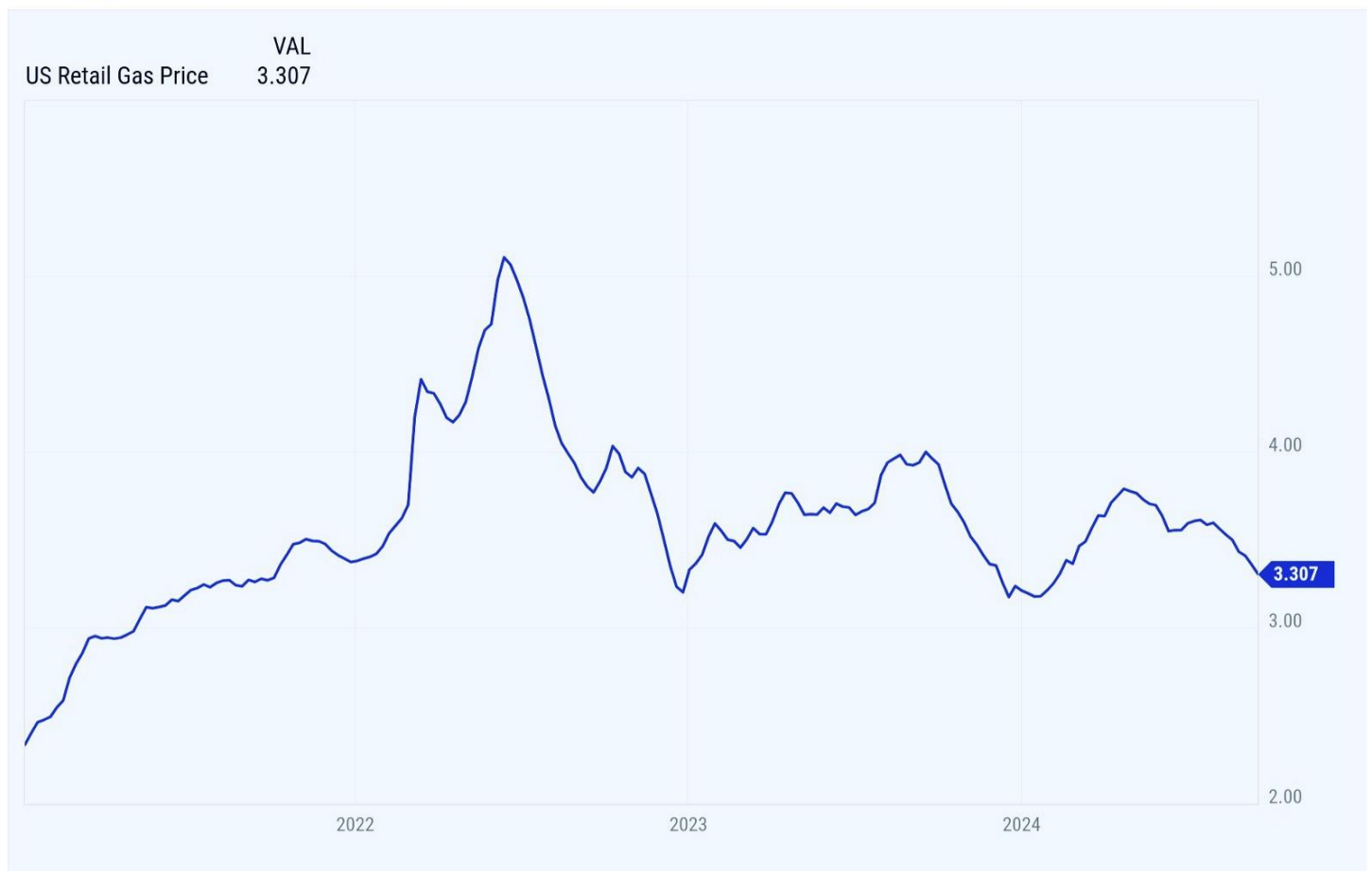
## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,124.65, up 61.29 points or 0.15%.
- **S&P 500:** closed at 5,718.57, up 16.02 points or 0.28%.
- **Nasdaq Composite:** closed at 17,974.27, up 25.95 points or 0.14%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,809.71, down 68.38 points or 1.76%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,347.52, down 10.57 points or 0.20%.
- **U.S. Treasury 10-year note:** closed at 3.75%.
- **U.S. Treasury 2-year note:** closed at 3.57%.



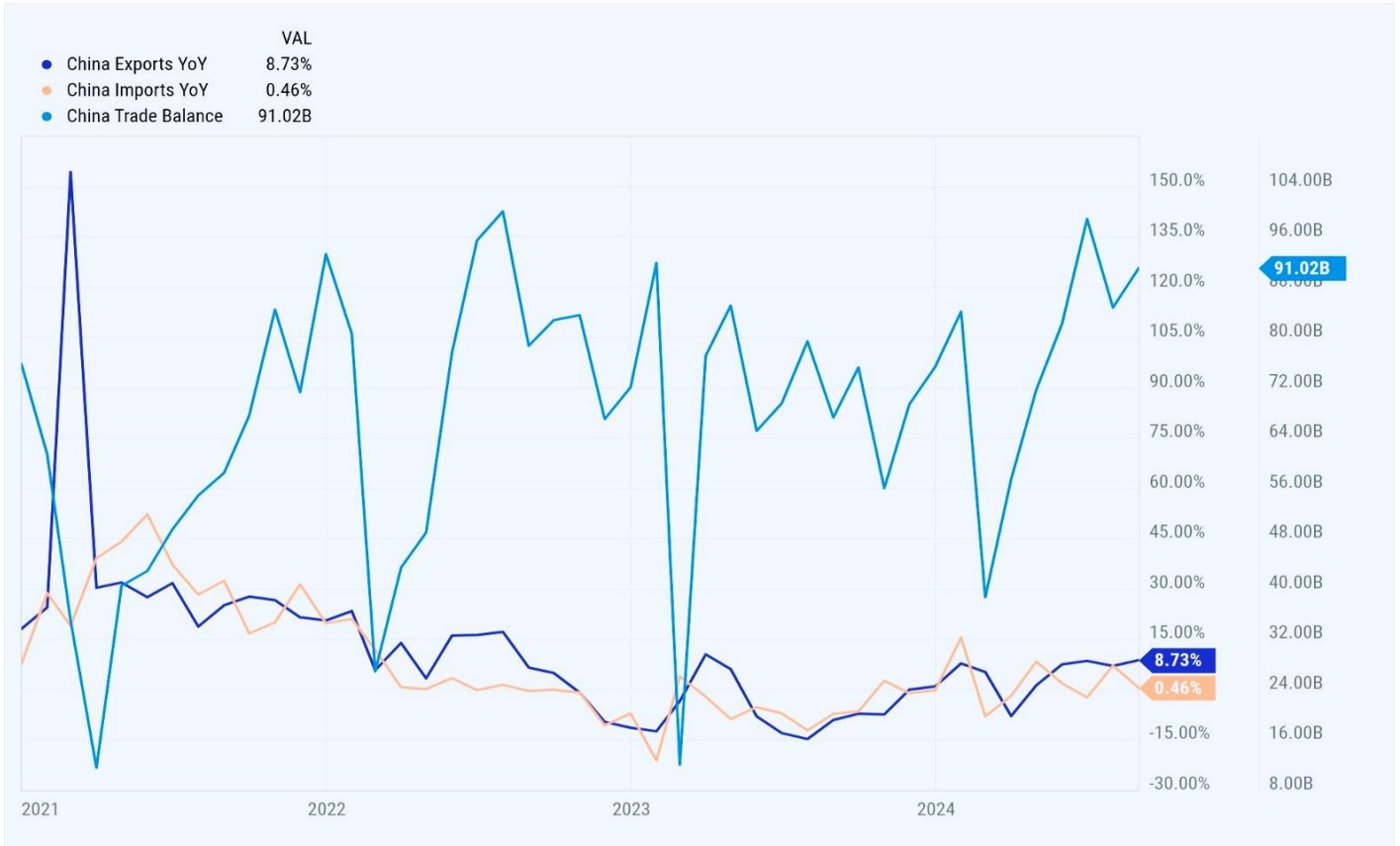
**BIRLING**  
CAPITAL ADVISORS, LLC

# US Retail Gas Price





# China Exports, China Imports and China Trade Balance



# Federal Reserve Bank Updated Projections 9/18/24

**Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, September 2024**

Percent

Variable	Median <sup>1</sup>					Central Tendency <sup>2</sup>					Range <sup>3</sup>				
	2024	2025	2026	2027	Longer run	2024	2025	2026	2027	Longer run	2024	2025	2026	2027	Longer run
Change in real GDP	2.0	2.0	2.0	2.0	1.8	1.9-2.1	1.8-2.2	1.9-2.3	1.8-2.1	1.7-2.0	1.8-2.6	1.3-2.5	1.7-2.5	1.7-2.5	1.7-2.5
June projection	2.1	2.0	2.0		1.8	1.9-2.3	1.8-2.2	1.8-2.1		1.7-2.0	1.4-2.7	1.5-2.5	1.7-2.5		1.6-2.5
Unemployment rate	4.4	4.4	4.3	4.2	4.2	4.3-4.4	4.2-4.5	4.0-4.4	4.0-4.4	3.9-4.3	4.2-4.5	4.2-4.7	3.9-4.5	3.8-4.5	3.5-4.5
June projection	4.0	4.2	4.1		4.2	4.0-4.1	3.9-4.2	3.9-4.3		3.9-4.3	3.8-4.4	3.8-4.3	3.8-4.3		3.5-4.5
PCE inflation	2.3	2.1	2.0	2.0	2.0	2.2-2.4	2.1-2.2	2.0	2.0	2.0	2.1-2.7	2.1-2.4	2.0-2.2	2.0-2.1	2.0
June projection	2.6	2.3	2.0		2.0	2.5-2.9	2.2-2.4	2.0-2.1		2.0	2.5-3.0	2.2-2.5	2.0-2.3		2.0
Core PCE inflation <sup>4</sup>	2.6	2.2	2.0	2.0		2.6-2.7	2.1-2.3	2.0	2.0		2.4-2.9	2.1-2.5	2.0-2.2	2.0-2.2	
June projection	2.8	2.3	2.0			2.8-3.0	2.3-2.4	2.0-2.1			2.7-3.2	2.2-2.6	2.0-2.3		
Memo: Projected appropriate policy path															
Federal funds rate	4.4	3.4	2.9	2.9	2.9	4.4-4.6	3.1-3.6	2.6-3.6	2.6-3.6	2.5-3.5	4.1-4.9	2.9-4.1	2.4-3.9	2.4-3.9	2.4-3.8
June projection	5.1	4.1	3.1		2.8	4.9-5.4	3.9-4.4	2.9-3.6		2.5-3.5	4.9-5.4	2.9-5.4	2.4-4.9		2.4-3.8



# Wall Street Recap

## September 23, 2024



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.