

# GLOBAL MARKET SQUARE



## Market Rebound as U.S. and European Markets Recover from Sell-off, Focus Shifts to Inflation Data, and the GDPNow Rises to 2.50%.

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The U.S. and European stock markets performed a solid rebound, almost entirely recovering from a sharp sell-off last week. The S&P 500, which fell over 4% in the previous week due to weaker labor market data, gained over 1.15%, as did the Nasdaq Composite, which also rose 1.15%, and The Dow Jones led with a gain of 1.20%.

The leading sectors in the S&P 500 included industrials, financials, and consumer discretionary. In global markets, Asian stocks were mixed overnight, while European shares ended the day in positive territory as investors awaited the European Central Bank's interest rate decision on Thursday. U.S. Treasury yields remained relatively stable, with the 10-year yield edging down to 3.70% and the 2-year yield rising slightly to 3.68%. Meanwhile, oil prices rebounded, climbing to \$69 per barrel after dropping more than 7% last week. Looking ahead, the focus will shift to inflation with the release of the Consumer Price Index (CPI) on Wednesday.

The S&P 500 saw its steepest weekly drop over a year, plunging more than 4% last week due to disappointing labor market data. The nonfarm payrolls report, a critical economic indicator, showed job gains of 142,000 in August, below expectations of 160,000 and significantly lower than the 12-month average of 202,000. In addition, June and July's payroll figures were revised downward by 89,000 jobs. However, the unemployment rate offered a glimmer of optimism, ticking down from 4.3% in July to 4.2% in August.

### September's Track Record of Weak Stock Performance

Historically, September has been a challenging month for stocks. Since 1970, the S&P 500 has averaged a decline of about 0.7% during this month, with positive returns only 50% of the time. By contrast, the index's average return for all months is roughly 1%, with gains 64% of the time. Despite September's weak track record, the fourth quarter has traditionally been an intense period for equities, with November and December showing positive returns around 75% of the time since 1970. While past performance doesn't guarantee future results, this seasonal trend, combined with a solid economic foundation, should give long-term investors confidence.

### GDPNow Update:

- The GDPNow for the Third Quarter of 2024 was updated on September 9, rising to 2.50% from 2.10%, a 19.05% increase.

### Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.36, down from \$3.411 last week, decreasing 1.50%.
- **U.S. Wholesale Inventories MoM:** rose to 0.23%, compared to 0.03% last month.

- **U.S. Consumer Credit Outstanding MoM:** right to \$25.45 billion, up from \$5.228 billion last, increasing 386.90%.

#### Eurozone Summary:

- **Stoxx 600:** Closed at 510.70, up 4.14 points or 0.82%.
- **FTSE 100:** Closed at 8,270.84, up 89.37 points or 1.09%.
- **DAX Index:** Closed at 18,443.56, up 141.66 points or 0.77%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 40,829.59, up 484.18 points or 1.20%.
- **S&P 500:** closed at 5,471.05, up 62.53 points or 1.15%.
- **Nasdaq Composite:** closed at 16,884.60, up 193.77 points or 1.15%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,701.09, down 70.33 points or 1.86%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,153.24, down 154.24 points or 2.91%.
- **U.S. Treasury 10-year note:** closed at 3.70%.
- **U.S. Treasury 2-year note:** closed at 3.68%.



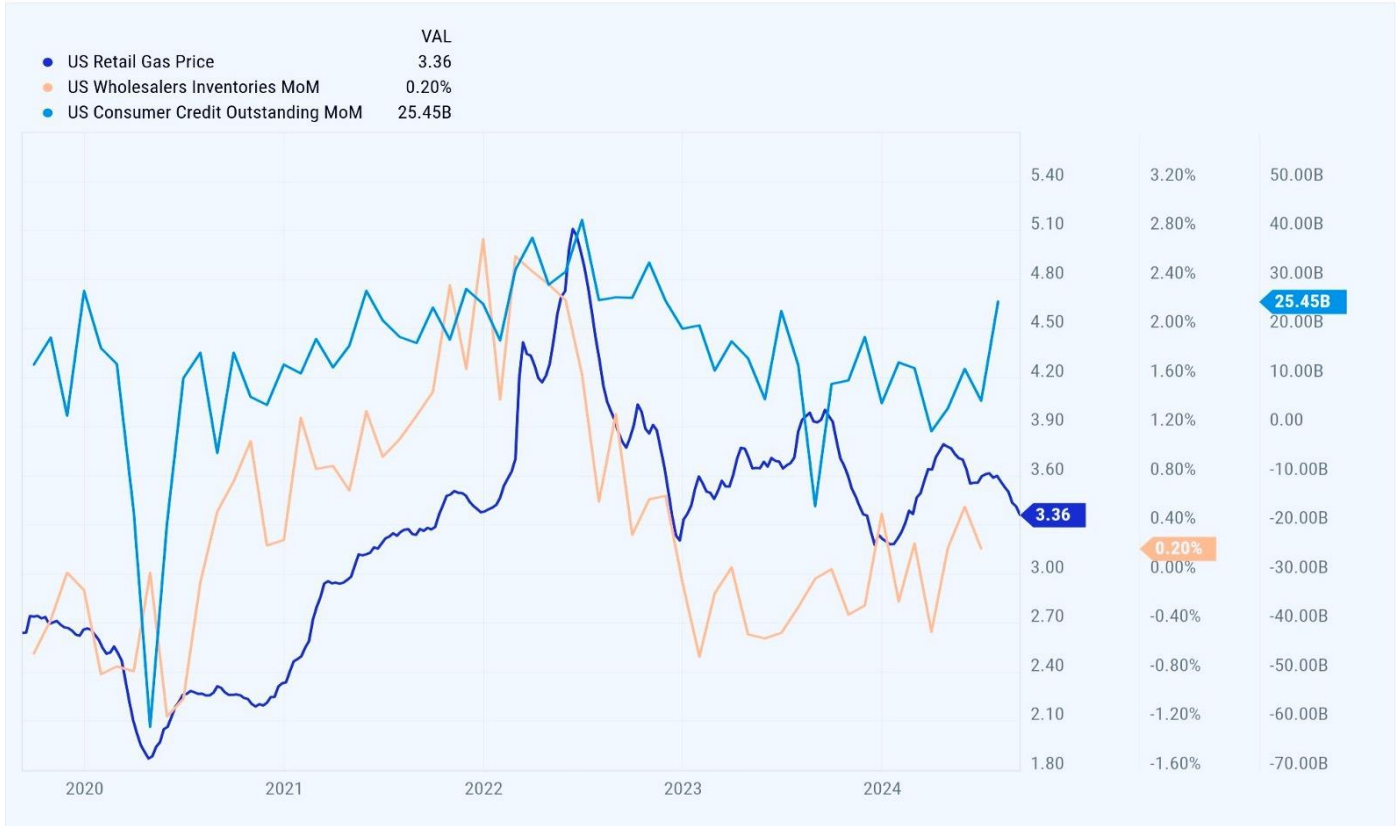
# GDPNow

| Date    | GDPNow 3Q24 | Change           |
|---------|-------------|------------------|
| 7/25/24 | 2.80%       | Initial Forecast |
| 8/1/24  | 2.50%       | -10.71%          |
| 8/6/24  | 2.90%       | 16.00%           |
| 8/8/24  | 2.90%       | 0.00%            |
| 8/15/24 | 2.40%       | -17.24%          |
| 8/16/24 | 2.00%       | -16.67%          |
| 8/26/24 | 2.00%       | 0.00%            |
| 9/3/24  | 2.00%       | 0.00%            |
| 9/4/24  | 2.10%       | 5.00%            |
| 9/9/24  | 2.50%       | 19.05%           |



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# US Retail Gas Price, US Wholesale Inventories & US Consumer Credit





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