

Russia Cuts European Gas Supply until sanctions are lifted; the ISM Services Index shows positive signals, and Wall Street closed down.

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The U.S. and European stock markets began the holiday-shortened week with a market that moved from positive to negative, only to close with losses.

In Europe, the Geopolitical is quickly becoming an energy crisis as Russia instructed its state-owned Gazprom to cut European supplies thru its Nord Stream Pipeline until all sanctions are eliminated. Also, OPEC announced a reduction of 100,000 barrels per day, quite a surprise.

In the US., the broader focus is on inflation, the Federal Reserve Bank monetary policy, and how the economy would perform.

The ISM Services Index published today shows positive signals with rising new orders and growing employment, as we highlight below.

Interest rates continued rising today, with the 10-year Treasury yield above 3.33% and the 2-year yield hitting 3.50%. Rates have moved higher following the Fed affirmation that would remain on point to reduce inflation to its 2% target rate. While this is not a surprise, we believe some investors had become hopeful that the Fed would not raise rates and shift its policies, a view we do not share.

Key economic data:

- **U.S. Retail Gas Price:** fell to \$3.938, down from \$3.993 last week, decreasing -1.38%.
- **US ISM Services PMI:** rose to 56.90, up from 56.70 last month, an increase of 0.35%.
- **US ISM Services New Orders Index:** rose to 61.80, up from 59.90 last month, increasing 3.17%.
- **US ISM Services Prices Paid Index:** fell to 71.50, down from 72.30 last month, a decrease of -1.11%.
- **US ISM Services Employment Index:** rose to 50.20, up from 49.10 last month, an increase of 2.24%.
- **Eurozone Retail Trade YoY:** is at -0.90%, compared to -3.20% last month.

Puerto Rico COVID-19 Update September 6:

- Daily Cases: 335, down 8.71%.
- Positivity Rate: 21.69%, down 8.51%.
- Hospitalizations: 282, down 7.54%.
- Deaths: 8, Unchanged.
- Source Puerto Rico Department of Health.

Eurozone Summary for September 6:

- Stoxx 600 closed at 414.38, up 0.99 points or 0.24%.
- FTSE 100 closed at 7,300.44, up 13.01 points or 0.18%.
- Dax Index closed at 13,871.44, up 110.66 points or 0.87%.

Wall Street Summary for September 6:

- Dow Jones Industrial Average closed at 31,145.30, down 173.14 points or 0.55%.
- S&P 500 closed at 3,908.19, down 16.07 points or 0.41%.
- Nasdaq Composite closed at 11,544.91, down 85.96 points or 0.74%.
- Birling Capital Puerto Rico Stock index closed at 2,656.48, up 0.35 points or 0.01%.
- The U.S. Treasury 10-year note closed at 3.33%.
- The U.S. Treasury 2-year note closed at 3.50%.



US Retail Gas Price & US Premium Retail Gas Price





US ISM Services PMI, ISM Services New Orders, ISM Services Prices Paid & ISM Services Employment Index





Wall Street Recap September 6, 2022

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