

Weekly Recap

USA

The core personal consumption expenditures price index (PCE), the Federal Reserve's preferred measure, rose just 0.1% from the previous month in May, although April's reading was revised upward to 0.3% from 0.2%. On a year-over-year basis, the index rose 2.6%, down from 2.8% in April. Personal income rose 0.5% last month, although spending was moderate, rising 0.2%.

The third and final first quarter GDP data was released on Thursday. Although overall GDP was revised up 0.1% to an annual rate of 1.4%, the closely watched personal consumption component was revised down to 1.5%, after initially being reported at 2.5%. Final sales to household consumers remained solid at 2.6%, albeit revised down from an initial reading of 3.1%.

The Federal Reserve reported Wednesday that the nation's 31 largest banks, those with assets of more than \$100 billion, passed their annual stress tests. Hypothetically, in a recessionary environment, the CET1 capitalization ratio for the group would minimally stand at 9.9%, well above the minimum requirement of 4.5%, the Fed said. New home sales fell 11.3% from the previous month in May to an annual rate of 619,000 units. This follows three consecutive months of declines in existing home sales. Meanwhile, pending home sales declined 2.1% from the previous month. With prices and mortgage rates elevated, inventories of unsold new homes have reached the highest levels since 2008.

In a debate with little policy and many generalities, the focus was more on style than content. President Joe Biden's campaign had hoped Thursday night's encounter would allay concerns about the president's age and mental acuity. However, Biden's uneven performance did the opposite, producing headlines Friday morning, "Democrats Discuss Replacing Biden." Prediction markets leaned decidedly in favor of former President Donald Trump during the debate, while falling for Biden.

Consumers lost confidence in June according to the Conference Board. The consumer confidence index fell to 100.4 from 101.3 in May. Short-term expectations about income, business and employment fell to 73 from 74.9. Perceptions about current conditions rose to 141.5 from 140.8 in May.

According to Labor Department data Thursday, initial jobless claims fell by 6,000 last week to 233,000, slightly below market estimates of 236,000. The economy added 272,000 jobs in May, with the unemployment rate rising to 4% from 3.9% in April.

EUROPE

Regarding the first round of the French parliamentary elections, a right-wing bloc led by Le Pen's party (RN) is expected to obtain the majority of votes on Sunday. However, the two-round system makes it difficult to predict the composition of seats.

UK

GDP grew 0.7% in the first quarter of the year, according to revised data released on Friday. This was revised up from an initial estimate of 0.6% growth, making it the fastest first quarter growth among G7 countries.

The BoE's latest financial stability report warns that investors are too focused on positive economic news, which could lead to a sharp correction in asset values.

ASIA

The Japanese yen reached its lowest level since 1986, prompting Japan's Ministry of Finance to threaten to intervene in the market, an action it last took in April and May.

In June, China's manufacturing activity is expected to contract for the second consecutive month, with a purchasing managers' index (PMI) projected at 49.5, according to a Reuters poll.

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			0,04	12,88	12,88	25,91
USD	DOW JONES INDUS. AVG	39.118,86	-0,08	4,79	4,79	17,80
USD	S&P 500 INDEX	5.460,48	-0,06	15,29	15,29	27,11
USD	NASDAQ COMPOSITE	17.732,60	0,26	18,57	18,57	32,83
BRL	BRAZIL IBOVESPA INDEX	123.930,48	2,13	-7,64	-19,46	5,77
ARS	S&P Merval TR ARS	1.611.295,00	2,21	73,31	53,72	292,83
CLP	S&P/CLX IPSA (CLP) TR	6.413,81	-1,15	3,49	-3,33	14,94
MXN	S&P/BMV IPC	52.483,24	0,07	-7,12	-13,81	0,20
EUROPE			-0,57	8,63	5,69	16,31
EUR	Euro Stoxx 50 Pr	4.894,02	-0,27	11,15	7,66	17,63
GBP	FTSE 100 INDEX	8.164,12	-0,82	7,85	6,83	13,92
EUR	DAX INDEX	18.235,45	0,40	8,86	5,43	14,92
EUR	CAC 40 INDEX	7.479,40	-1,95	1,88	-1,33	7,61
EUR	FTSE MIB INDEX	33.154,05	-0,21	13,41	9,84	27,45
ASIA			0,10	9,19	3,48	3,87
JPY	NIKKEI 225	39.583,08	2,10	19,30	4,46	21,48
CNY	CSI 300 INDEX	3.461,66	-0,23	2,06	-0,27	-7,68
HKD	HANG SENG INDEX	17.718,61	-1,57	6,21	6,24	-2,20
GLOBAL						
USD	ISHARES MSCI ACWI ETF	112,40	0,22	11,37	11,37	21,03
USD	MSCI WORLD	3.521,90	0,44	12,35	12,35	23,03
USD	MSCI EM	1.081,87	-0,36	7,16	7,16	11,96
USD	MSCI AC ASIA PACIFIC	179,77	0,38	7,53	7,53	13,44
USD	MSCI EM LATIN AMERICA	2.181,76	0,24	-15,37	-15,37	-5,28
Fixed Income						
GLOBAL		1.076,10	-0,09	0,90	0,90	7,01
USD	Global Aggregate	457,35	-0,22	-2,98	-2,98	0,72
USD	EM USD Aggregate	1.200,14	-0,10	2,48	2,48	8,14
USD	Global High Yield	1.570,79	0,04	3,21	3,21	12,16
Commodities						
USD	BBG Commodity	100,99	-0,72	2,38	2,38	0,10
USD	Oro	2.324,59	0,11	12,71	12,71	21,88
USD	WTI	81,53	0,99	13,73	13,73	17,21
USD	Soja	421,70	-0,80	-12,32	-12,32	-20,66

Source: Bloomberg. Information as of 28th of June 2024 17:15 pm

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