

## JP Morgan Chase, Citigroup, and Wells Fargo delivered better than expected earnings, U.S. Retail Sales fell 1%, and Wall Street closed down.

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The U.S. & European stock markets closed with mixed results following a weaker-than-expected U.S. Retail and Food Services reading that fell -0.99%; of the 13 retail categories, eight fell last month, led by gas stations, cars, and merchandise. Even the release of the first quarter results for 2023 of three of the largest U.S. banks that reported better-than-expected earnings was enough to prop the market up; we discuss the earnings below.

In our view, even though we have seen sales decline in the last two months, the robust numbers from January will contribute positively to the GDP growth for the first quarter. What is concerning will be the second quarter number as financial conditions become rigid, the labor market begins to show weaknesses, and the economy could hit the brakes.

On the flip side, the ongoing disinflation process, with the sharp decrease in the Producer Price Index (PPI) reading that fell to 2.75%, a 71.79% decrease since the high of 9.75% recorded in July 2022, and the resolution of the supply chain issues will contribute a sort of balance to the other conditions.

We expect the Fed to increase rates by 25 basis points in May, and investors should prepare for a more extended period of high-interest rates than the markets expect; the longer rates remain higher, the more problems it may uncover in the economy.

### GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated on 4/14/23, increasing to 2.50% GDP from 2.20% GDP.

### Corporate Earnings Parade:

- **JP Morgan Chase (JPM):** reported 1Q23 revenues of \$38.3 billion, up 25%, and Net Income of \$12.622 billion, increasing 52%, which beat estimates. The earnings per share were \$4.10, beating the estimate of \$3.37. The stock closed at \$138.74, up \$9.75 or 7.56%, and has a price objective of \$150.36.
- **Citigroup (C):** reported 1Q23 revenues of \$21.4 billion, up 12%, and Net Income of \$4.6 billion, increasing 7%, which beat estimates. The earnings per share were \$2.19, beating the estimate of \$1.68. The stock closed at \$49.57, up \$2.27 or 4.80%, and has a price objective of \$54.50.
- **Wells Fargo (WFC):** reported 1Q23 revenues of \$20.72 billion, up 17%, and Net Income of \$4.991 billion, increasing 32%, which beat estimates. The earnings per share were \$1.23, beating the estimate of \$1.14. The stock closed at \$39.64, down \$0.02 or 0.05%, and has a price objective of \$48.21.

## Key Economic Data:

- **U.S. Retail and Food Services Sales MoM:** fell to -0.99%, compared to -0.21% last month.
- **U.S. Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM:** fell to -0.84%, compared to 0.04% last month.
- **U.S. Index of Consumer Sentiment:** rose to 63.50, up from 62.00 last month, improving 2.42%.
- **U.S. Industrial Production MoM:** rose to 0.38%, compared to 0.21% last month.
- **U.S. Export Prices YoY:** fell -4.84%, compared to -0.78% last month.
- **U.S. Import Prices YoY:** fell -4.56%, compared to -1.12% last month.
- **U.S. Business Inventories MoM:** rose to 0.21%, compared to -0.23% last month.
- **U.S. Wholesalers Inventories MoM:** rose 0.09%, compared to -0.55% last month.
- **Canada Manufacturing Shipments:** fell to \$71.50 billion, down from \$74.21 billion last month, decreasing -3.65%.

## Puerto Rico COVID-19 Update April 14:

- Daily Cases: 33
- Positivity Rate: 10.34%
- Hospitalizations: 74
- Deaths: 3
- Source P R. Department of Health.

## Eurozone Summary for April 14:

- Stoxx 600 closed at 466.69, up 2.48 points or 0.53%.
- FTSE 100 closed at 7,871.91, up 28.53 points or 0.36%.
- Dax Index closed at 15,807.50, up 78.04 points or 0.50%.

## Wall Street Summary for April 14:

- Dow Jones Industrial Average closed at 33,886.47, down 143.22 or 0.42%.
- S&P 500 closed at 4,137.64, down 8.58 points or 0.27%.
- Nasdaq Composite closed at 12,123.47, down 42.81 points or 0.35%.
- Birling Capital Puerto Rico Stock index closed at 2,341.11, up 44.18 points or 1.92%.
- Birling Capital U.S. Bank Stock Index closed at 3,603.68, up 21.15 points or 0.59%.
- U.S. Treasury 10-year note closed at 3.52%.
- U.S. Treasury 2-year note closed at 4.08%.



# GDPNow 4.14.23

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Date	GDPNow 1Q23	Change
1/27/2023	0.70%	Initial Forecast
2/1/2023	2.10%	66.67%
2/8/2023	2.20%	4.55%
2/15/2023	2.40%	8.33%
2/16/2023	2.50%	4.00%
2/24/2023	2.70%	7.41%
2/27/2023	2.80%	3.57%
3/1/2023	2.30%	-21.74%
3/7/2023	2.00%	-15.00%
3/8/2023	2.60%	23.08%
3/15/2023	3.20%	18.75%
3/16/2023	1.50%	-113.33%
3/24/2023	3.20%	53.13%
3/31/2023	2.50%	-28.00%
4/3/2023	1.70%	-47.06%
4/5/2023	1.50%	-13.33%
4/10/2023	2.20%	31.82%
4/14/2023	2.50%	12.00%



# JP Morgan Chase, Citigroup & Wells Fargo YTD Returns

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- JPMorgan Chase & Co Price % Change
- Citigroup Inc Price % Change
- Wells Fargo & Co Price % Change

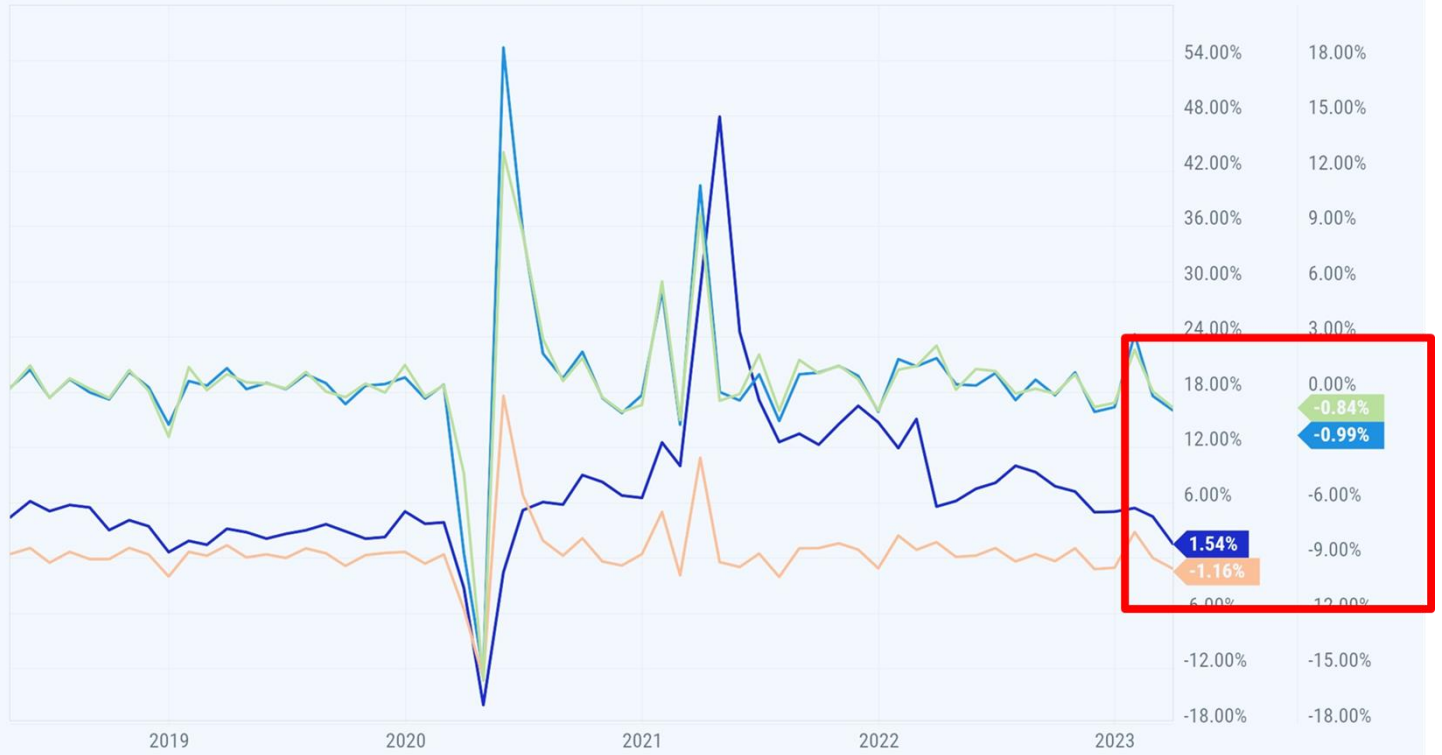




# US Retail Sales YoY, US Retail Sales MoM, US Retail & Food Services Sales MoM, US Retail & Food Services Sales Excluding Motor Vehicles and Part Dealers MoM

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- US Retail Sales YoY
- US Retail Sales MoM
- US Retail and Food Services Sales MoM
- US Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM



# US Index of Consumer Sentiment, US Industrial Production MoM, US Exports Prices YoY, US Import Prices YoY, US Business Inventories MoM & US Wholesale Inventories MoM

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- US Index of Consumer Sentiment
- US Industrial Production MoM
- US Export Prices YoY
- US Import Prices YoY
- US Business Inventories MoM
- US Wholesalers Inventories MoM







## Wall Street Recap

April 14, 2023

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