

Corporate Earnings surprise, with colossal brokerage Charles Schwab increasing profits by 3.9% and Wall Street rise.

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The U.S. and European stock markets began the week with gains as the investors focused on the corporate earnings season that began last week with several of the top U.S. banks. There is a pattern arising from investors who believe the Fed will pause and end their interest rate increases, while others think that the inflation is still too high, and the Fed will continue to increase. The Fed's inflation target is 2%, and a CPI of 4.98% is still 149% above the Fed's target; having said that, we believe that the Fed could opt to raise rates by 25 basis points as a showing that is serious in taking inflation to its target rate. It is becoming quite clear that with inflation lowered from its high of 9.06% in June 2022, a 45% decrease compared to the current 4.98% CPI reading, the Fed is much closer to ending its campaign.

Today the Corporate Earnings Parade included Charles Schwab, which has been under pressure since Silicon Valley Bank failed as some fear that the giant brokerage may fail; however, Charles Schwab profits rose 3.9%, beating estimates even though it suffered outflows.

This week the corporate earnings parade continues with the following entities:

1. **Bank of America (BAC):** reports on 4/18 with an earnings per share estimate for the first quarter of \$0.8256.
2. **Goldman Sachs (GS):** reports on 4/18 with an earnings per share estimate for the first quarter of \$8.059.
3. **Morgan Stanley (MS):** reports on 4/19 with an earnings per share estimate for the first quarter of \$1.661.

While the Corporate Earnings season is early, only 6% of the S&P 500 companies have reported earnings, with 90% beating expectations.

The other issue that will surely grab headlines is the political fight and discussions of the U.S. debt ceiling, which the Republican-led House is demanding spending cuts and other concessions.

Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.703, up from \$3.606 last week, increasing 2.69%.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 45.00, up from 44.00 last month, increasing 2.27% from last month and -41.56% from one year ago.
- **Canada Wholesale Sales MoM:** fell to -1.67%, compared to 6.06% last month.

Puerto Rico COVID-19 Update April 17:

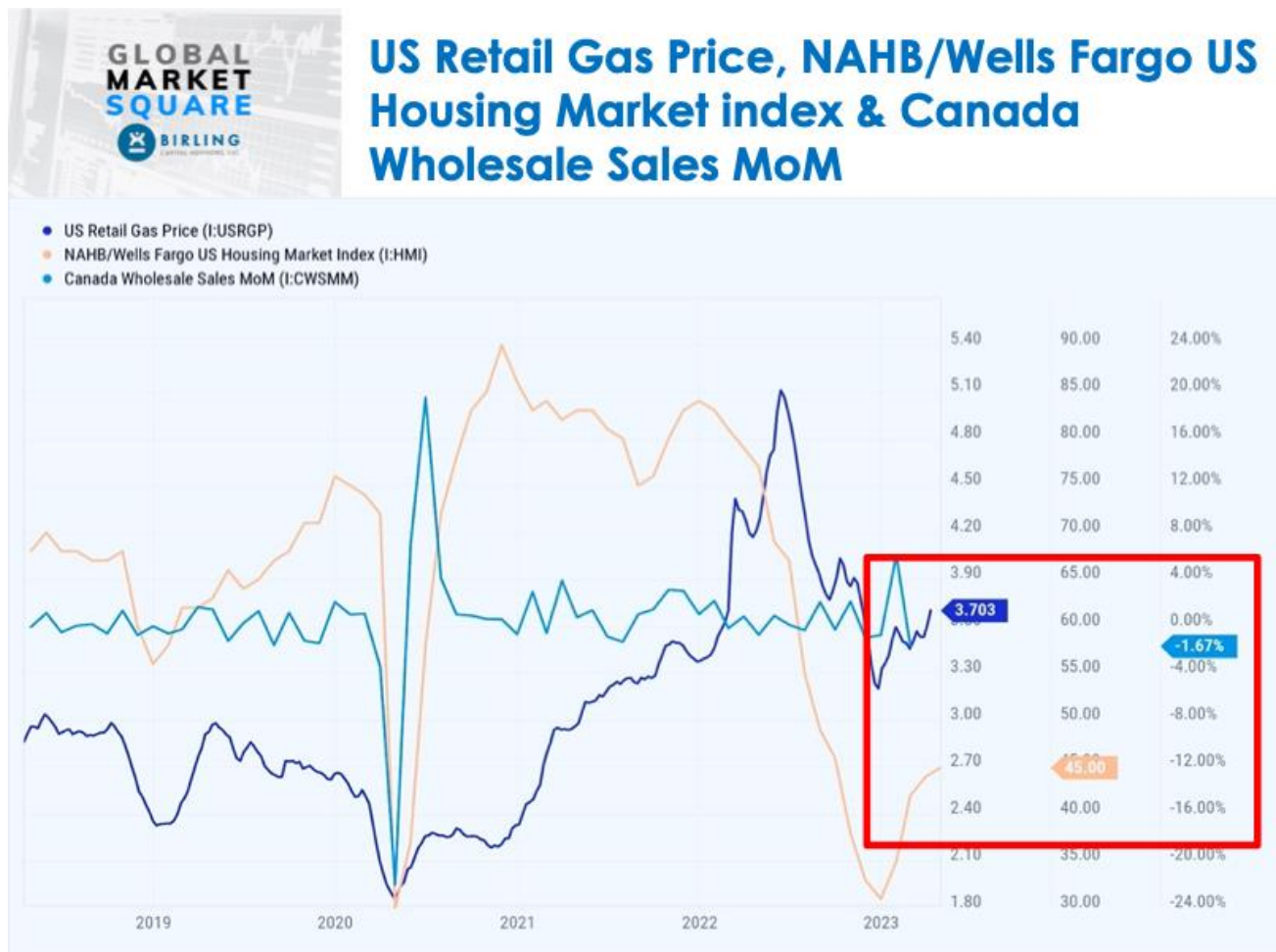
- Daily Cases: 53
- Positivity Rate: 10.78%
- Hospitalizations: 88
- Deaths: 3
- Source P R. Department of Health.

Eurozone Summary for April 17:

- Stoxx 600 closed at 466.81, down 0.10 points or 0.021%.
- FTSE 100 closed at 7,879.51, up 7.60 points or 0.097%.
- Dax Index closed at 15,789.53, down 17.97 points or 0.11%.

Wall Street Summary for April 17:

- Dow Jones Industrial Average closed at 33,987.18, up 100.71 or 0.30%.
- S&P 500 closed at 4,151.22, up 13.68 points or 0.33%.
- Nasdaq Composite closed at 12,157.72, up 34.26 points or 0.28%.
- Birling Capital Puerto Rico Stock index closed at 2,324.91, down 16.20 points or 0.69%.
- Birling Capital U.S. Bank Stock Index closed at 3,712.45, up 108.77 points or 3.02%.
- U.S. Treasury 10-year note closed at 3.60%.
- U.S. Treasury 2-year note closed at 4.18%.



Wall Street Recap

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• Dow Jones Industrial Average Level



• S&P 500 Level



• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



• Birling Capital U.S. Bank Index Level



YTD Returns forL Dow Jones, S&P 500, Nasdaq, Birling US Bank & Birling Puerto Rico Stock Index

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