



# Markets Gear Up for Fed's FOMC Meeting Amidst Corporate Earnings Exceeding Expectations and Economic Readings.

April 29, 2024

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets closed mostly higher to begin a week full of economic data, monetary policy expectations, and corporate earnings results.

Asian markets ended the session positively, while European markets closed mixed, reacting to a softer-than-anticipated economic sentiment reading. Treasury yields closed down with the 10-year yield at 4.63%, while the 2-year yield closed at 4.97%, slightly up.

The upcoming week is poised to be a significant one on the economic front, with the FOMC meeting, a key event in the financial calendar, scheduled to run from April 30 to May 1. The nonfarm-payrolls report, unemployment rate, and other essential labor data, which are crucial indicators of economic health, are also slated for Friday. These events, with their potential to provide insights into the future direction of monetary policy and the health of the labor market, are of particular importance and should be on every investor's radar.

As the Fed convenes, market consensus leans toward the expectation of unchanged policy rates, with keen interest directed towards any insights from Fed Chair Jerome Powell regarding future rate adjustments. In light of the recent inflationary pressures, Powell's remarks are anticipated to emphasize the necessity of further inflation progress before considering rate cuts. However, there's a growing perspective that inflationary trends may taper in the coming months, potentially paving the way for rate adjustments later this year.

The corporate earnings parade, a key gauge of the economy's broader health, continues to impress. With over 170 S&P 500 companies, including Apple and Amazon, set to present their 1Q24 reports, the positive trend is expected to continue. So far, approximately 45% of S&P 500 companies have reported, with most exceeding earnings projections. We foresee over 10% earnings growth for the S&P 500 in 2024, underlining the significance of robust corporate profit expansion for sustained market performance. This positive outlook for corporate earnings could offset any negative impact from other market factors, such as inflation concerns or changes in monetary policy, and contribute to the overall upward trajectory of the market.

However, despite these market fluctuations, the outlook for equities remains optimistic, albeit with anticipated volatility. This means that while there may be short-term price fluctuations, the overall trend for equities is expected to be positive. Investors should be prepared for potential volatility in the market, but the long-term outlook for equities remains favorable.

## Corporate Earnings Parade:

- **Domino's Pizza Inc (DPZ)** reported 1Q24 revenues of \$1.080 billion, up 5.90%, beating estimates, and Net Income of \$125.8 million, up 10.20%. Domino's reached earnings per share of \$3.58,

beating estimates of \$3.397 by 5.38%, and with a price objective of \$496.77. The stock closed at \$527.12, up \$28.05 or 5.62%.

### Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.791, up from \$3.751 last week, rising 1.07%.
- **Eurozone Consumer Confidence Indicator:** is at -14.70, up from -14.90 last month.
- **Eurozone Economic Sentiment Indicator:** fell to 95.60, down from 96.20 last month, decreasing -0.62%.
- **Germany Consumer Price Index YoY:** is unchanged at 2.20%, compared to 2.20% last month.
- **China PMI:** fell to 49.10, down from 49.20 last month, decreasing -0.20%.
- **China Non-Manufacturing PMI:** rose to 51.40, up from 50.70 last month, increasing 1.38%.

### Eurozone Summary:

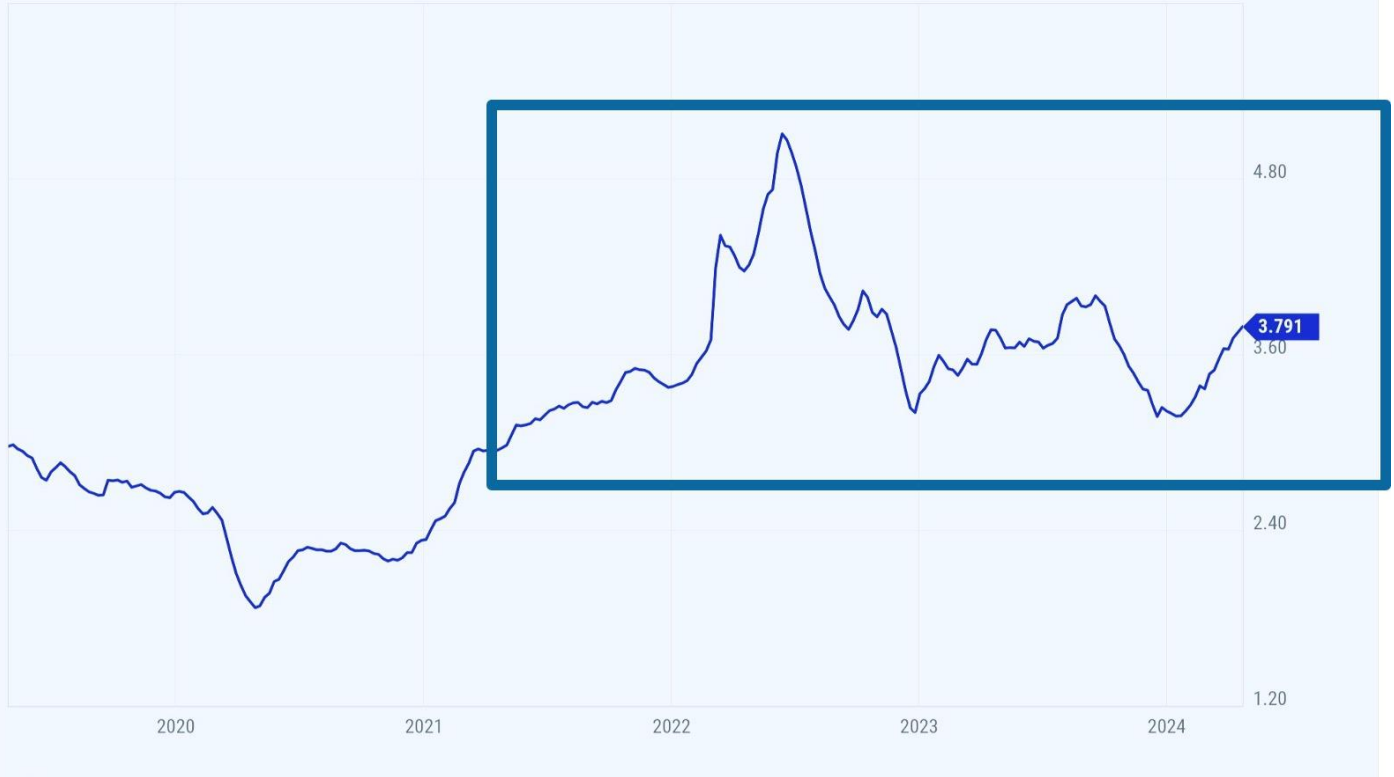
- **Stoxx 600:** closed at 508.34, up 0.36 points or 0.07%.
- **FTSE 100:** closed at 8,197.03, up 7.20 points or 0.09%.
- **Dax Index:** closed at 18,118.32, down 42.68 points or 0.24%.

### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,386.09, up 146.43 points or 0.38%.
- **S&P 500** closed at 5,116.17, up 16.21 points or 0.32%.
- **Nasdaq Composite** closed at 15,611.76, up 55.18 points or 0.35%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,374.37, down 30.59 points or 0.90%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,984.13, up 27.21 points or 0.55%.
- **U.S. Treasury 10-year note** closed at 4.63%.
- **U.S. Treasury 2-year note** closed at 4.97%.

# US Retail Gas Price

US Retail Gas Price VAL  
3.791





# EU Consumer Confidence Indicator, EU Economic Sentiment Indicator, Germany CPI, China PMI & China Non-Manufacturing PMI

[www.birlingcapital.com](http://www.birlingcapital.com)

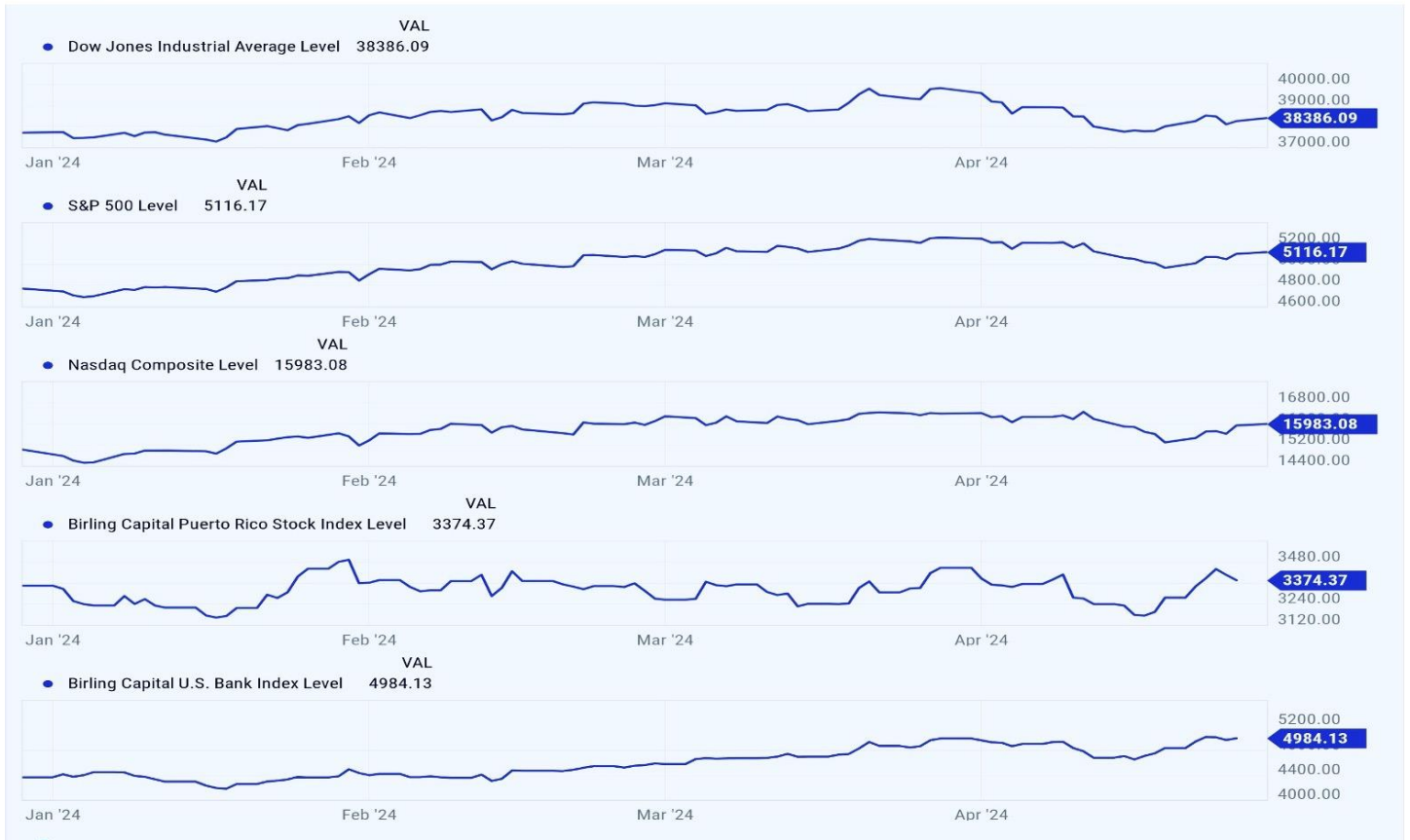
	VAL
● Eurozone Consumer Confidence Indicator (I:ECCISM)	-14.70
● Eurozone Economic Sentiment Indicator (I:EESI)	95.60
● Germany Consumer Price Index YoY (I:GCCPNGCS)	2.20%
● China PMI (I:CPMI)	49.10
● China Non-Manufacturing PMI (I:CNMPMI)	51.40





# Wall Street Update

## April 29, 2024



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.