

JP Morgan Chase, Citigroup, and Wells Fargo beat earnings estimates, the U.S. Index of Consumer Sentiment rose to 72.60, up 11.29%, and Wall Street closed mixed.

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The U.S. and European stock markets closed mostly down, except for the Dow Jones, which continued its rise. Not even the stronger than expected second-quarter earnings from JP Morgan Chase, Citigroup, or Wells Fargo, and the inflation surprised the markets with its sharp trend downward.

However, do not despair as when evaluated overall, it was a great week all around as all the indexes recorded strong gains during the week, and the results were as follows:

- **Nasdaq Composite** rose during the week by 3.32% and has a 34.85% YTD return.
- **Birling Capital Puerto Rico Stock Index** rose during the week by 3.73% and has a 7.33% YTD return.
- **Birling Capital U.S. Bank Stock Index** rose during the week by 3.50% and has a 3.24% YTD return.
- **S&P 500** rose during the week by 2.42% and has a 17.34% YTD return.
- **Dow Jones Industrial Average** rose during the week by 2.29% and has a 4.11% YTD return.

It is worth noting that Global, European, and Most emerging markets outpaced the U.S. during the week, so it's worth your while to take another look.

As July wraps up, everyone is focused on the upcoming Federal Reserve Bank's FOMC meeting from July 25 to July 26, with its interest rate decision to be released on July 26. The current consensus estimates point that the Fed will raise rates by 25 basis points, taking the Fed funds rate to an average of 5.25%-5.50%.

Our current expectation after having studied the inflation data and with the CPI at 2.97% and the fact that it is just 32.65% from the Fed's 2% inflation target, we expect the Fed to opt for an extended pause and retake the rate deliberations until the September FOMC meeting.

Corporate Earnings Parade:

The corporate earnings parade began today, with JP Morgan Chase, Citigroup, and Wells Fargo beating their earnings estimates.

In a statement, J.P. Morgan CEO Jamie Dimon highlighted, "**Consumer balance sheets remain healthy, and consumers are spending, albeit a little more slowly**".

1. **JP Morgan Chase (JPM):** reported 2Q23 revenues of \$41.3 billion, up 8%, and Net Income of \$14.5 billion, increasing 8%, which beat estimates. The earnings per share were \$4.75, beating the estimate of \$3.75. The stock closed at \$149.91, up \$0.94 or 0.63%, with a price objective of \$162.29.

2. **Citigroup (C):** reported 2Q23 revenues of \$19.436 billion, down 9%, and Net Income of \$2.915 billion, decreasing 37%, which beat estimates. The earnings per share were \$1.37, beating the estimate of \$1.33. The stock closed at \$45.83, down \$1.85 or 3.88%, and had a price objective of \$54.71.
3. **Wells Fargo (WFC):** reported 2Q23 revenues of \$20.533 billion, down 1%, and Net Income of \$4.938 billion, decreasing 1%, which beat estimates. The earnings per share were \$1.25, beating the estimate of \$1.14. The stock closed at \$43.54, down \$0.17 or 0.38%, and has a price objective of \$49.03.

Key Economic Data:

- **U.S. Index of Consumer Sentiment:** rose to 72.60, up from 64.40 last month, increasing 12.73%.
- **U.S. Export Prices YoY:** fell -12.00%, compared to -10.19% last month.
- **U.S. Export Prices MoM:** fell -0.95%, compared to -1.92% last month.
- **U.S. Import Prices YoY:** fell -6.13%, compared to -5.74% last month.
- **U.S. Import Prices MoM:** fell -0.21%, compared to -0.43% last month.
- **Canada Manufacturing Shipments:** rose to 72.87 billion, up from 71.99 billion last month, increasing 1.22%.

Eurozone Summary:

- **Stoxx 600** closed at 460.91, down 0.45 points or 0.098%.
- **FTSE 100** closed at 7,434.57, down 5.64 points or 0.076%.
- **Dax Index** closed at 16,105.07, down 35.96 points or 0.22%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,509.03, up 113.89 points or 0.33%.
- **S&P 500** closed at 4,505.42, down 4.62 points or 0.10%.
- **Nasdaq Composite** closed at 14,113.70, down 24.87 points or 0.18%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,705.42, up 22.72 points or 0.85%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,806.35, up 27.88 points or 0.74%.
- **U.S. Treasury 10-year note** closed at 3.83%.
- **U.S. Treasury 2-year note** closed at 4.74%.

JP Morgan Chase, Citigroup & Wells Fargo Stock YTD Returns



Dow Jones Industrial Average, S&P 500, Nasdaq Composite, Birling PR Stock Index & Birling US Bank Index YTD Returns





Wall Street Recap July 14, 2023



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