

GLOBAL MARKET SQUARE



Bank of America and Morgan Stanley beat earnings estimates, Green Shoots Emerge with the GDPNow at 2.40%, and Wall Street closed higher.

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The U.S. and European stock markets closed the session with more gains fueled by better-than-expected corporate earnings from banking giants Bank of America and Morgan Stanley, which both beat their consensus estimates. So far, the five large banks constituents of our Birling U.S. Bank Index have exceeded expectations, and only Goldman Sachs remains, which reports earnings on July 19. While the corporate earnings parade season is just starting, the results thus far have been quite positive, with 7.5% of S&P 500 companies having reported, north of 84% of them have registered upside surprises.

Also, Microsoft (MSFT) announced an artificial intelligence (AI)-powered premium version of its Microsoft 365 suite for \$30 per month; the announcement took Microsoft thru the roof, rising \$13.76 to close at \$359.49.

Next week, On July 27, investors anxiously await the second-quarter U.S. GDP growth, which could help provide insight into what lies ahead. The GDPNow forecast for the second quarter of 2023 is 2.40% GDP.

GDPNow Update:

- The GDPNow for the second quarter of 2023 was updated on 7/18/23, rising to 2.40% GDP from 2.30%, a 4.17% increase.

Corporate Earnings Parade:

1. **Bank of America (BAC):** reported 2Q23 revenues of \$25.2 billion, up 11%, and Net Income of \$7.4 billion, increasing 19%, which beat estimates. The earnings per share were \$0.88, beating the estimate of \$0.83. The stock closed at \$30.70, up \$1.30 or 4.42%, with a price objective of \$34.71. In a statement, Bank of America Chairman & CEO Brian Moynihan said, **"We continue to see a healthy U.S. economy that is growing at a slower pace, with a resilient job market"**.
2. **Morgan Stanley (MS):** reported 2Q23 revenues of \$13.457 billion, up 2.47%, and Net Income of \$2.182 billion, decreasing -12.54%, which beat estimates. The earnings per share were \$1.24, beating the forecast of \$1.201. The stock closed at \$91.94, up \$5.57 or 6.45%, with a price objective of \$95.57. In a statement, Morgan Stanley Chairman & CEO James P. Gorman said, **"We remain confident in our ability to grow in various market environments while maintaining a strong capital position"**.

Key Economic Data:

- **U.S. Retail and Food Services Sales MoM:** fell to 0.19%, compared to 0.51% last month.
- **U.S. Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM:** fell to 0.16%, compared to 0.28% last month.
- **N.Y. Fed Business Leaders Survey Current Business Activity:** rose to 0.00, up from -5.20 last month.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 56.00, up from 55.00 last month, increasing 1.82%.
- **U.S. Industrial Production MoM:** fell to -0.54%, compared to -0.46% last month.
- **U.S. Business Inventories MoM:** rose to 0.15%, compared to 0.08% last month.
- **U.S. Wholesalers Inventories MoM:** are at -0.00%, compared to -0.32% last month.
- **Canada Consumer Price Index YoY:** fell to 2.81%, compared to 3.36% last month.
- **Canada Inflation Rate:** fell to 2.81%, compared to 3.36% last month.
- **Canada Consumer Price Index MoM:** rose to 0.13%, compared to 0.00% last month.
- **Canada Core Consumer Price Index MoM:** is unchanged at 0.14%, compared to 0.14% last month.

Eurozone Summary:

- **Stoxx 600** closed at 461.09, up 3.17 points or 0.69%.
- **FTSE 100** closed at 7,453.69, up 47.27 points or 0.64%.
- **Dax Index** closed at 16,125.43, up 56.84 points or 0.35%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 34,951.93, up 366.58 points or 1.06%.
- **S&P 500** closed at 4,554.98, up 32.19 points or 0.71%.
- **Nasdaq Composite** closed at 14,353.64, up 108.69 points or 0.76%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,726.33, up 41.20 points or 1.53%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,814.01, up 51.88 points or 1.38%.
- **U.S. Treasury 10-year note** closed at 3.80%.
- **U.S. Treasury 2-year note** closed at 4.74%.



GDP Now 7.18.23

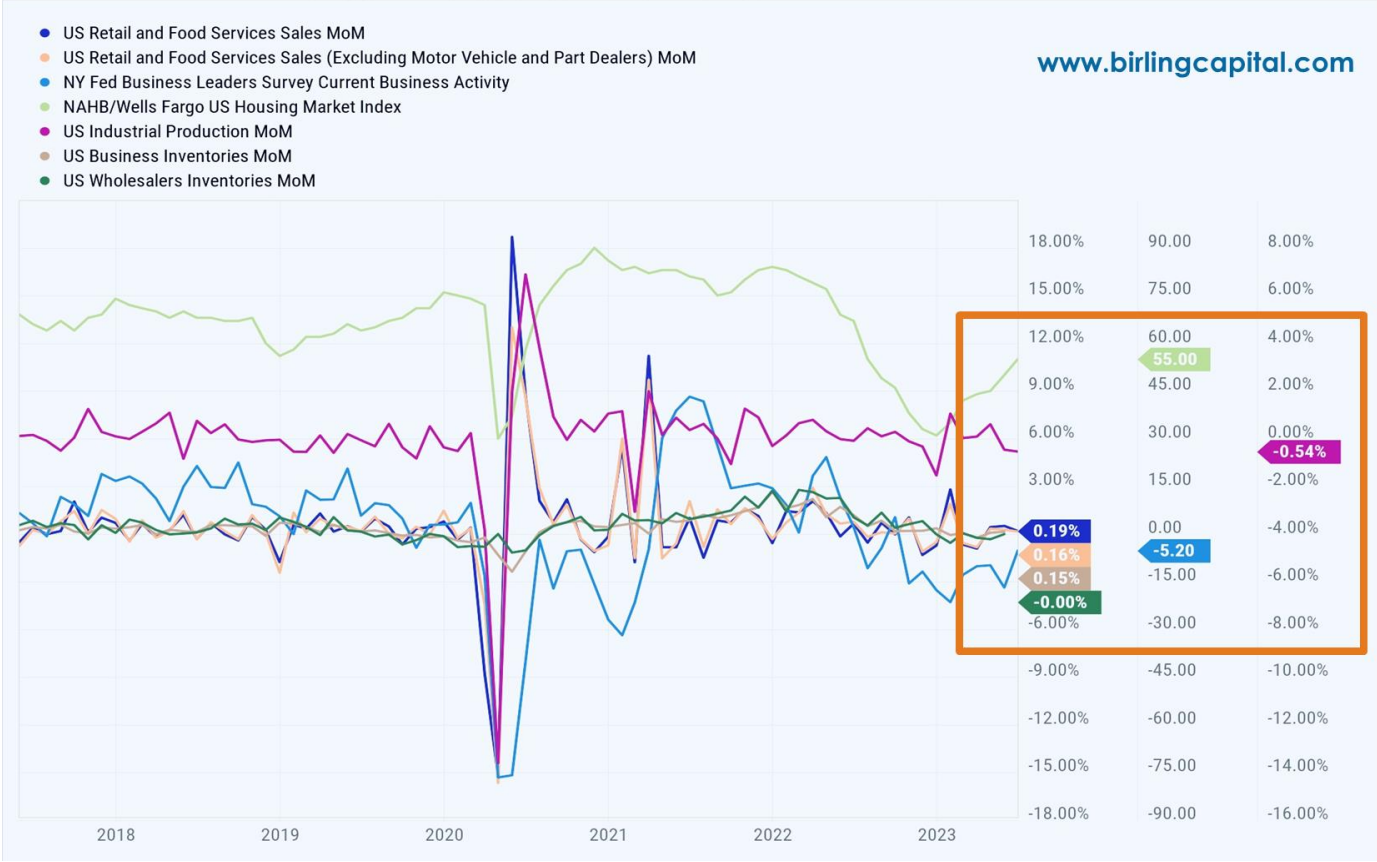
2Q23 Forecast

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Date	GDPNow 2Q23	Change
4/28/2023	1.70%	Initial Forecast
5/1/2023	1.80%	5.56%
5/4/2023	2.70%	33.33%
5/8/2023	2.70%	0.00%
5/16/2023	2.60%	-3.85%
5/17/2023	2.90%	10.34%
5/26/2023	1.90%	-52.63%
6/1/2023	2.00%	5.00%
6/7/2023	2.20%	9.09%
6/8/2023	2.20%	0.00%
6/15/2023	1.80%	-22.22%
6/20/2023	1.90%	5.26%
6/27/2023	1.80%	-5.56%
6/30/2023	2.20%	18.18%
7/3/2023	1.90%	-15.79%
7/6/2023	2.10%	9.52%
7/10/2023	2.30%	8.70%
7/18/2023	2.40%	4.17%



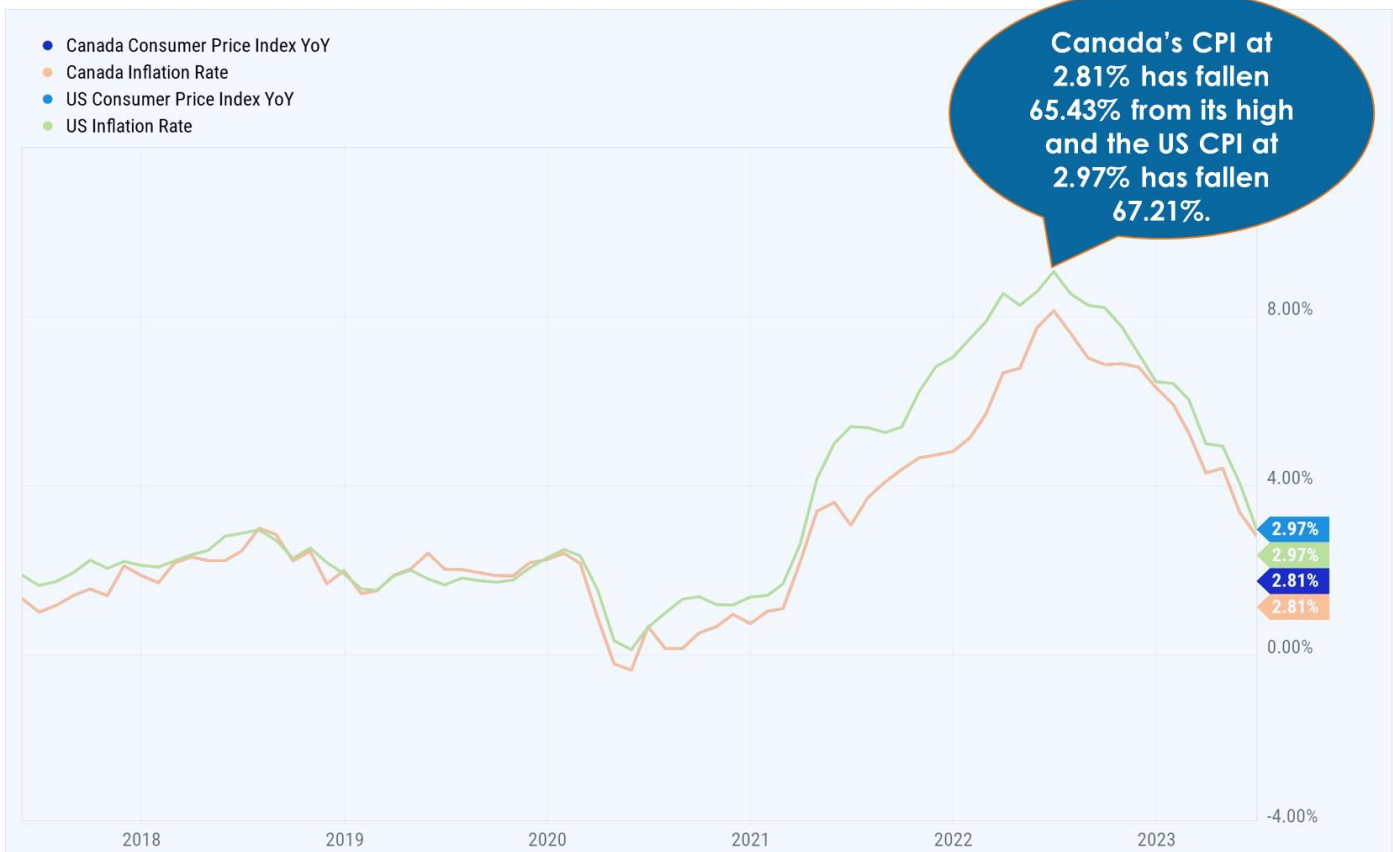
US Retail & Food Service Sales, US Retail & Food Services Sales (Excluding Motor Vehicles, NAHB/Wells Fargo US Housing Market, US Industrial Production, US Business Inventories & US Wholesales Inventories





Canada Consumer Price Index, Canada Inflation Rate vs US Consumer Price Index & US Inflation Rate

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Wall Street Recap

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