



**Oriental Banks revenues rose 16.53%, Tesla and Netflix results disappointed, their stock fell more than 8%, and Wall Street closed mixed.**

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The U.S. and European stock markets closed the session with mixed results; the leading cause is the disappointing second-quarter earnings from Tesla and Netflix, which reported their results after the market closed.

Both companies' narrative was somewhat optimistic, but consensus expectations were relatively high, especially with both stocks' returns have increased in 2023 for Tesla at 136.50% and Netflix at 61.96% until today.

Shares of Tesla and Netflix are down more than 8%; the issues for each company are the following:

- Tesla, while it delivered second-quarter solid earnings, with rising sales and revenues of \$24.93 billion, a 47% increase, and Net income of \$3.15 billion, which is only 20% higher than the previous quarter, its overall operating margins fell by 5% to 9.6% evidencing the sales price reduction and the increased competitive pressures.
- Netflix reported Revenues of \$8.19 billion, up by 2.7%, Which fell below expectations, and Net income of \$1.49 billion, up 3.3%, better than expected. The company reported 5.9 million new subscribers due to its new policy that prevents password sharing.

In economic news, the U.S. claims for unemployment surprisingly fell -3.80% to 228,000, some 5.26% below the consensus estimates of 240,000, highlighting the renewed strength of the labor markets.

As next week's July FOMC meeting quickly approaches and, with it, the interest rate determination to be announced Wednesday, July 26, we expect that the Fed will raise rates by 25 basis points, taking the Fed funds rate to a range of 5.25% - 5.5%. Following this meeting, the FOMC may enact an extended pause in its current rate cycle, with much more to come.

### **Corporate Earnings Parade:**

- **OFG Bancorp (OFG):** reported 2Q23 revenues of \$170.5 million, up 16.53%, and Net Income of \$44.173 million, increasing 5.37%, which beat estimates. The earnings per share were \$0.93, beating the forecast of \$0.88. The stock closed at \$32.26, up \$1.27 or 4.10%, with a price objective of \$33.25.
- **American Airlines Group Inc (AAL):** reported 2Q23 revenues of \$14.1 billion, up 4.7%, and Net Income of \$1.338 billion, increasing 181%, which beat estimates. The earnings per share were \$1.88, beating the forecast of \$1.59. The stock closed at \$17.47, down \$1.13 or 6.08%, with a price objective of \$19.46.

## Key Economic Data:

- **U.S. Initial Claims for Unemployment:** fell to 228,000, down from 237,000 last week, decreasing - 3.80%.
- **U.S. Existing Home Sales:** rose to 4.30 million, up from 4.29 million last month, increasing 0.23%.
- **30-Year Mortgage Rate:** rose to 6.96%, compared to 6.81% last week.
- **Eurozone Consumer Confidence Indicator:** is at -16.10, up from -17.40 last month.
- **Eurozone Economic Sentiment Indicator:** fell to 95.30, down from 96.40 last month, decreasing - 1.14%.
- **Germany Producer Price Index YoY:** fell to 0.10%, compared to 1.00% last month.
- **Germany Producer Price Index MoM:** fell to -0.30%, compared to -1.40% last month.
- **Japan Consumer Price Index YoY:** fell to 3.20%, compared to 3.50% last month.

## Eurozone Summary:

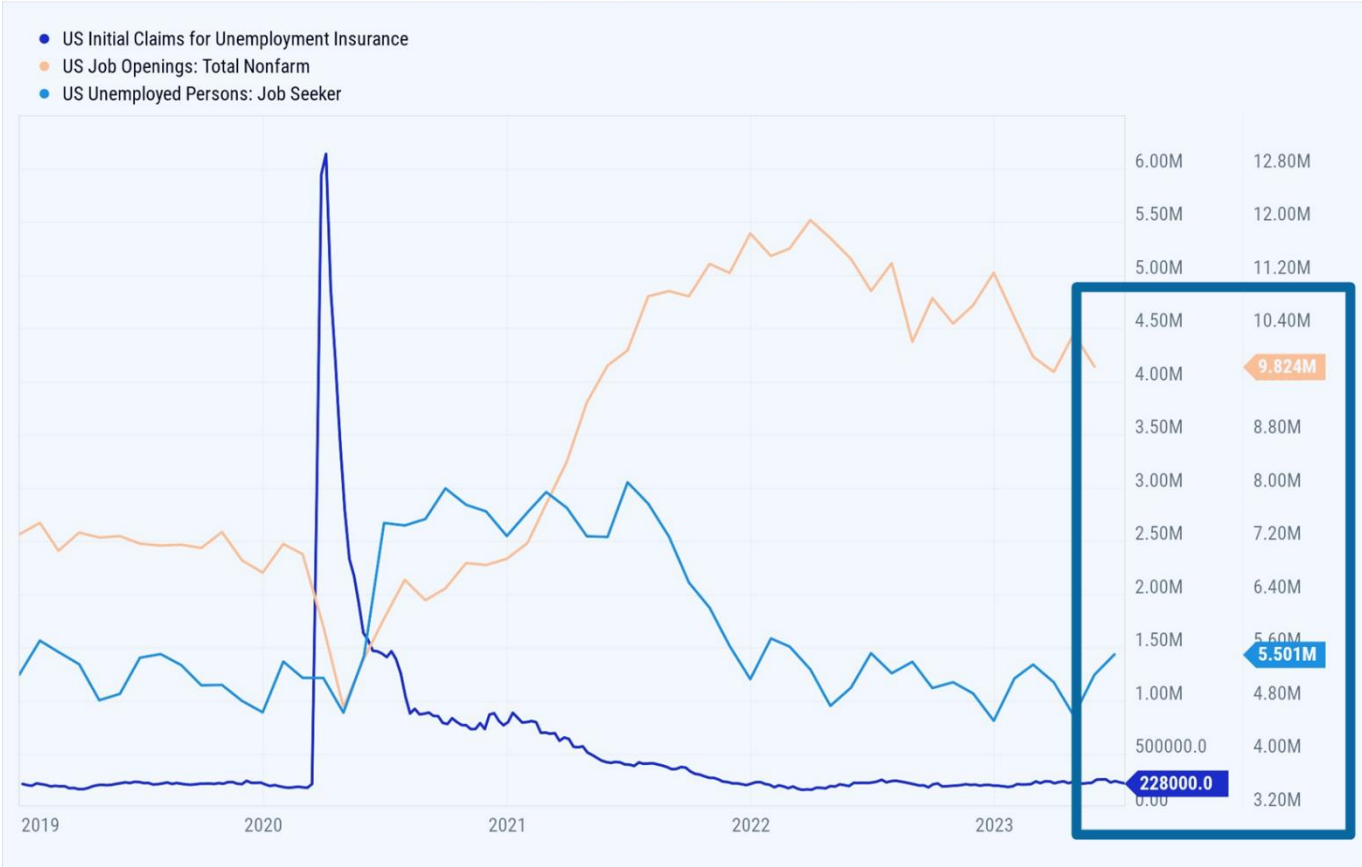
- **Stoxx 600** closed at 464.03, up 2.06 points or 0.45%.
- **FTSE 100** closed at 7,646.05, up 57.85 points or 0.76%.
- **Dax Index** closed at 16,204.22, up 95.29 points or 0.59%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 35,225.18, up 163.97 points or 0.47%.
- **S&P 500** closed at 4,534.87, down 30.85 points or 0.68%.
- **Nasdaq Composite** closed at 14,063.31, down 294.71 points or 2.05%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,839.03, up 29.06 points or 1.03%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,983.04, up 51.91 points or 1.32%.
- **U.S. Treasury 10-year note** closed at 3.85%.
- **U.S. Treasury 2-year note** closed at 4.80%.

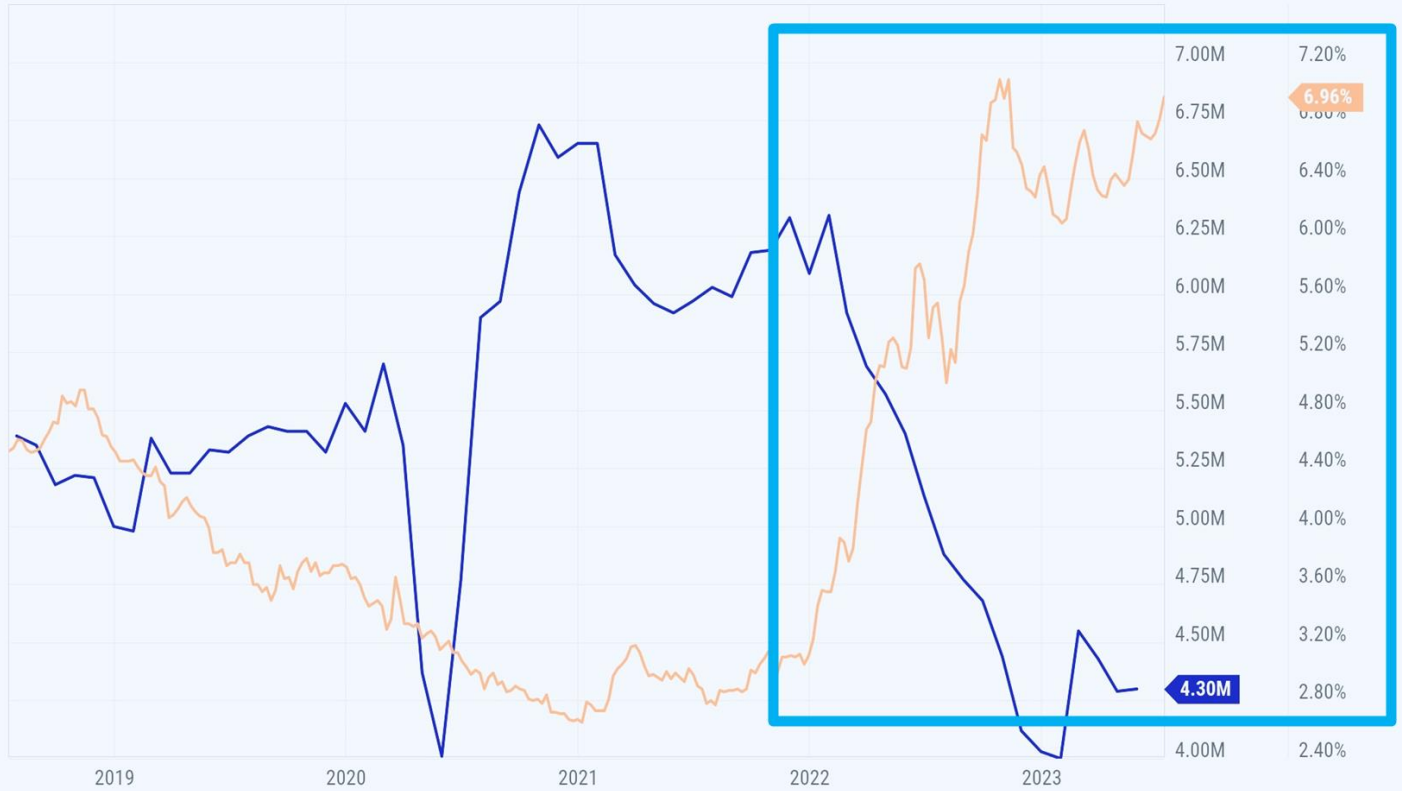


# US Unemployment Claims fell -3.80% to 228,000



# US Existing Home Sales & 30-Year Mortgage Rate

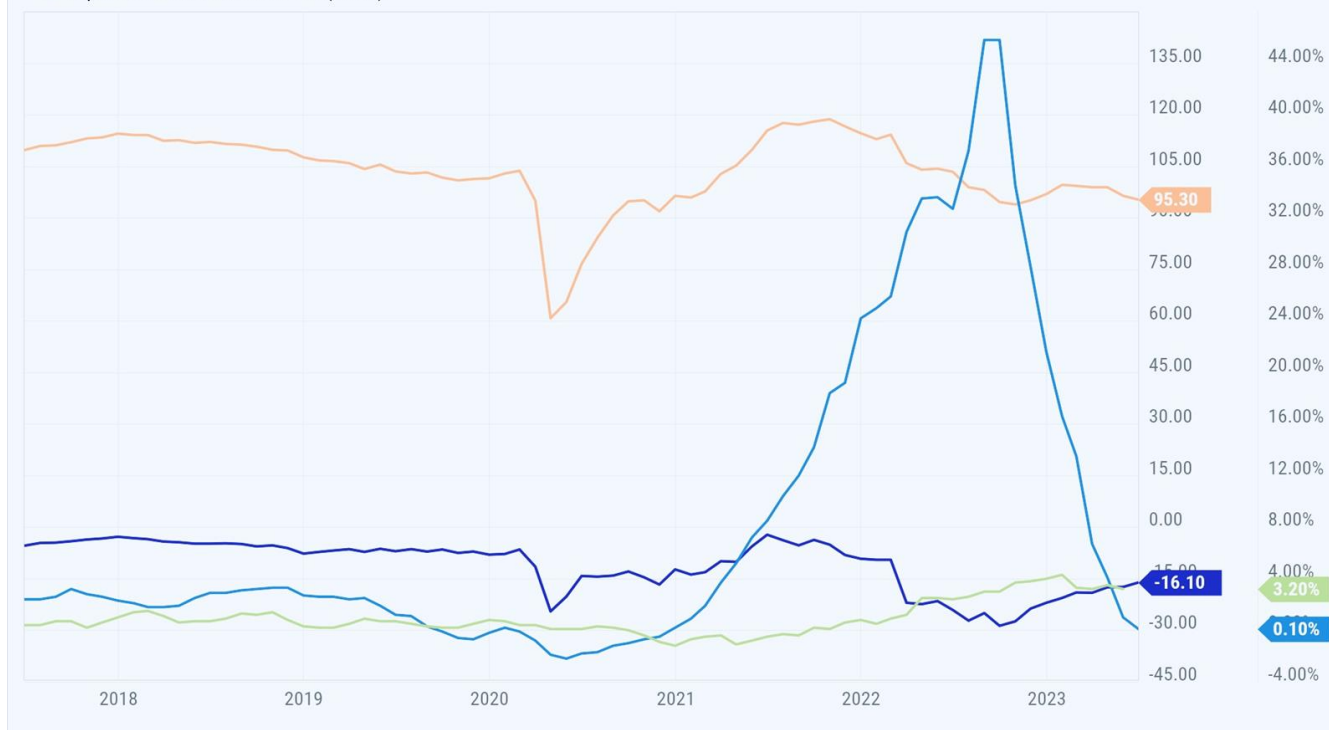
- US Existing Home Sales
- 30 Year Mortgage Rate



# Eurozone Consumer Confidence Indicator, Eurozone Economic Sentiment Indicator, Germany PPI & Japan CPI

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- Eurozone Consumer Confidence Indicator (I:ECCISM)
- Eurozone Economic Sentiment Indicator (I:EESI)
- Germany Producer Price Index YoY (I:GCPPIUM)
- Japan Consumer Price Index YoY (I:JPIR)





# 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





## Dow Jones Industrial Average, S&P 500, Nasdaq Composite, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Return



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