

Wall Street closed mixed as American Express 2Q23 missed estimates, and the stock plummeted 6.89%.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the week with mixed results, with the Dow Jones and S&P 500 barely up and the Nasdaq added to yesterday's losses, as investors are reacting to the corporate earnings parade that today included the venerable American Express that reported 2Q23 revenues of \$15.054 billion missed estimates impacting the stock, so far 75% of the S&P 500 companies that reported exceeded analysts' expectations. One-third of S&P 500 companies are reporting earnings next week, and we have our eyes on the stocks we share below as key to both markets and local investors.

Some of the corporate earnings include as follows:

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- Microsoft (MSFT)
- Alphabet (GOOG)
- General Motors (GM)
- General Electric (GE)
- Visa (V)

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- Popular, Inc. (BPOP)
- First Bancorp. (FBP)
- Evertec, Inc. (EVTC)
- Coca-Cola (KO)
- eBay (EBAY)
- Hilton Hotels (HTL)

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- Amazon (AMZN)
- McDonalds (MCD)

In economic news, the data includes:

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- U.S. Job Openings: Total Nonfarm

- U.S. New Single-Family Houses Sold
- Target Federal Funds Rate Upper Limit

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- U.S. Durable Goods Excluding Defense New Orders
- U.S. Gross Domestic Purchases Price Index
- U.S. Initial Claims for Unemployment Insurance
- U.S. Pending Home Sales
- U.S. Total Vehicle Sales

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- U.S. PCE Price Index
- U.S. Core PCE Price Index

The PCE is the Fed's preferred inflation benchmark and has a forecast for a PCE of 3.41% and Core PCE of 4.46%, and all the attention next week will go towards the Fed and its possible rate increase of 25 basis points, which is highly expected to happen. We must remind ourselves that the FOMC offered projections that showed a broad consensus for two more rate increases in 2023.

The balancing act here is how the Fed manages its message and actions following the better-than-expected CPI and Core CPI numbers without overshooting the target.

Federal Reserve Bank Date Rate Action and Forecast

1. July 26, 23 A 25 basis points rise is expected
2. June 14, 23 Pause
3. May 3, 23 25 Basis Points
4. Mar. 22, 23 25 Basis Points
5. Feb. 01, 23 25 Basis Points
6. Dic. 14, 22 50 Basis Points
7. Nov. 02, 22 75 Basis Points
8. Sep. 21, 22 75 Basis Points
9. Jul. 27, 22 75 Basis Points
10. Jun. 15, 22 75 Basis Points
11. May 04, 22 50 Basis Points
12. Mar. 16, 22 025 Basis Points

Corporate Earnings Parade:

- **American Express Co (AXP):** reported 2Q23 revenues of \$15.054 billion, up 12.34%, missed estimates, and Net Income of \$2.174 billion, increasing 10.69%, beating estimates. The earnings per share were \$2.89, beating the forecast of \$2.816. The stock closed at \$171.00, down \$6.11 or 3.45%, with a price objective of \$180.42.

Key Economic Data:

- **U.K. Retail Sales YoY:** improved to -1.00%, compared to -2.30% last month.
- **U.K. Retail Sales MoM:** rose to 0.70%, compared to 0.10% last month.

- **U.K. Retail Sales excluding Fuel YoY:** improved to -0.90%, compared to -1.90% last month.
- **U.K. Retail Sales excluding Fuel MoM:** rose to 0.80%, compared to 0.00% last month.

Eurozone Summary:

- **Stoxx 600** closed at 465.37, up 1.44 points or 0.31%.
- **FTSE 100** closed at 7,663.73, up 17.68 points or 0.23%.
- **Dax Index** closed at 16,177.22, down 27.00 points or 0.17%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 35,227.169, up 2.51 points or 0.01%.
- **S&P 500** closed at 4,536.34, up 1.47 points or 0.03%.
- **Nasdaq Composite** closed at 14,032.23, down 30.50 points or 0.22%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,886.33, up 47.30 points or 1.67%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,030.23, up 47.19 points or 1.19%.
- **U.S. Treasury 10-year note** closed at 3.84%.
- **U.S. Treasury 2-year note** closed at 4.82%.



Federal Reserve Bank Interest Rate Campaign

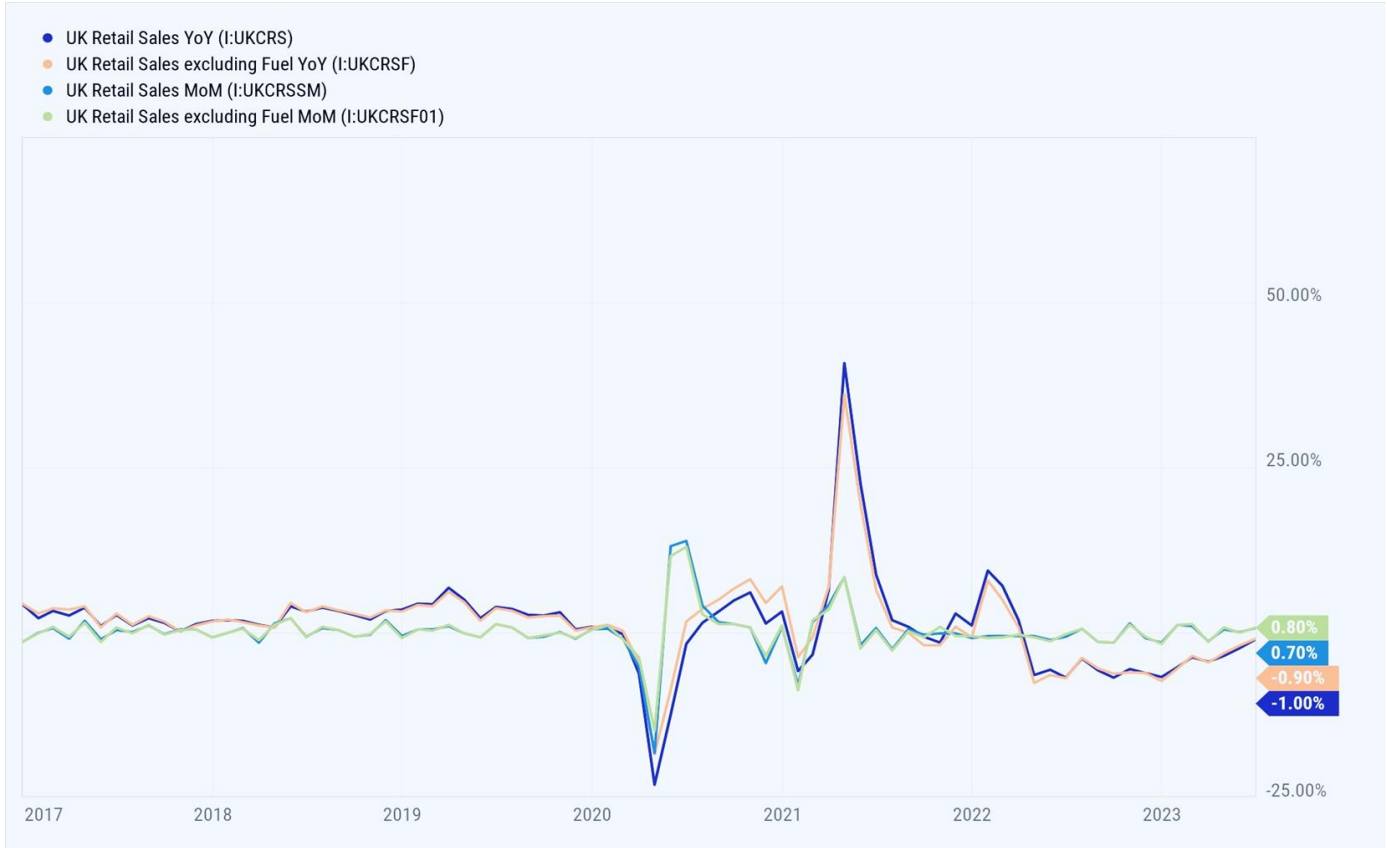
Federal Reserve Bank Date Rate Increases

Date	Rate Action/Forecast
26-Jul-23	A 25 basis points rise is expected
14-Jun-23	Pause
3-May-23	25 Basis Points
Mar. 22, 23	25 Basis Points
Feb. 01, 23	25 Basis Points
Dic. 14, 22	50 Basis Points
Nov. 02, 22	75 Basis Points
Sep. 21, 22	75 Basis Points
Jul. 27, 22	75 Basis Points
Jun. 15, 22	75 Basis Points
May 04, 22	50 Basis Points
Mar. 16, 22	25 Basis Points
Total	500 Basis Points



UK Retail Sales YoY, UK Retail Sales excluding fuel YoY, UK Retail Sales MoM & UK Retail Sales excluding fuel MoM

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Wall Street Recap

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