

GLOBAL MARKET SQUARE



Dow Jones, Nasdaq, and S&P 500 Close in on All-Time Highs; Birling PR Stock Index YTD Returns Highlight Performance FirstBank and Popular Lead the Way.

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The U.S. and European stock markets began the week by building on last week's gains, allowing the Dow Jones to have its fourth consecutive winning day. Should the gains continue, we may see the Nasdaq Composite, the S&P 500, Dow Jones, Birling PR Stock Index, and Birling U.S. Bank Index get close and even surpass their all-time highs, as they stand as follows:

- Nasdaq Composite -0.57% off highs.
- Birling U.S. Bank Index -0.39% off highs.
- S&P 500 -1.40% off highs.
- Birling PR Stock Index -1.99% off highs.
- Dow Jones -2.40% off highs.

While some global markets are closed for holidays, Asia and Europe traded higher. The U.S. dollar is experiencing mixed movements against major currencies. WTI oil prices are up in commodities, hovering around \$79 per barrel, aligning with the increases in Brent crude following Saudi Arabia's price adjustments. Gold prices have also risen, remaining approximately 3% below mid-April highs.

The corporate earnings parade will again take center stage as we continue the week. With a light economic calendar, attention will be on the 56 S&P 500 companies slated to report results. So far, the first-quarter earnings season has been glorious, with companies generally surpassing expectations. Approximately 77% of reporting S&P 500 firms have beaten analyst forecasts, with an average surprise of 7.5%. Year-over-year earnings growth for the first quarter stands at 5.0%, marking the highest rate since the second quarter of 2022.

On that note, the Birling Capital Puerto Rico Stock Index constituent's YTD Returns look promising:

- Firstbank (FBP) has a return YTD of 9.67%.
- Popular, Inc. (BPOP) has a return YTD of 8.69%.
- Oriental Bank (OFG) has a return YTD of 1.39%.
- Evertec, Inc. (EVTC) has a return YTD of -8.93%.
- Birling PR Stock Index has a return YTD of 2.34%.

Most sectors are experiencing growth, suggesting a broad-based improvement in earnings performance, which could bolster the ongoing economic expansion.

Meanwhile, bond yields have remained relatively steady, with the 10-year Treasury yield closing at 4.49%, albeit lower from recent highs. The yield curve remains inverted, with the 2-year note closing at 4.82% and short-term yields higher than intermediate-term ones. Last week's data showing slower payroll gains and wage growth suggests a softer labor market, fueling expectations for lower inflation.

The jobs market data present a mixed picture of employment, leading to market volatility. While job growth slowed to 175,000 in April, reducing the jobs growth rate to 2.9 million, unemployment rose to 3.90%. Job openings fell to 8.448 million, down 4.51% YTD. Job seekers rose to 5.206 million, up 5.68%.

This could pave the way for Federal Reserve rate cuts in the latter part of the year, potentially supporting economic growth. However, lower rates may increase reinvestment risk for cash and short-term bonds. To mitigate this risk, investors may consider extending duration into intermediate- and long-term bonds and bond funds to lock in yields for more extended periods.

GDPNow Update:

- The GDPNow for the second quarter of 2024 was updated on May 2 and is unchanged at 3.30% GDP.

Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.777, down from \$3.791 last week, decreasing -0.37%.

Eurozone Summary:

- **Stoxx 600:** closed at 508.22, up 2.69 points or 0.53%.
- **FTSE 100:** closed at 8,213.49, up 41.34 points or 0.51%.
- **Dax Index:** closed at 18,175.21, up 173.81 points or 0.96%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,852.27, up 176.59 points or 0.48%.
- **S&P 500** closed at 5,180.74, up 52.95 points or 1.03%.
- **Nasdaq Composite** closed at 16,349.25, up 192.92 points or 1.19%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,421.53, up 33.75 points or 1.00%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,986.69, up 31.34 points or 0.63%.
- **U.S. Treasury 10-year note** closed at 4.49%.
- **U.S. Treasury 2-year note** closed at 4.82%.



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Dow Jones, S&P 500, Nasdaq Composite, Birling P.R. Stock Index & Birling U.S. Bank Percentages Off Highs as of 5/6/24

- | | VAL |
|--|--------|
| ● Dow Jones Industrial Average Level % Off High | -2.40% |
| ● S&P 500 Level % Off High | -1.40% |
| ● Nasdaq Composite Level % Off High | -0.57% |
| ● Birling Capital Puerto Rico Stock Index Level % Off High | -1.99% |
| ● Birling Capital U.S. Bank Index Level % Off High | -0.39% |





GDPNow 2Q24

Date	GDPNow 2Q24	Change
4/26/24	3.90%	Initial Forecast
5/1/24	3.30%	-15.4%
5/2/24	3.30%	0.0%



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Popular, Firstbank, Oriental & Evertec Returns YTD 5/6/24

	VAL
● Popular Inc Price % Change	8.69%
● First BanCorp Price % Change	9.67%
● OFG Bancorp Price % Change	1.39%
● Evertec Inc Price % Change	-8.93%

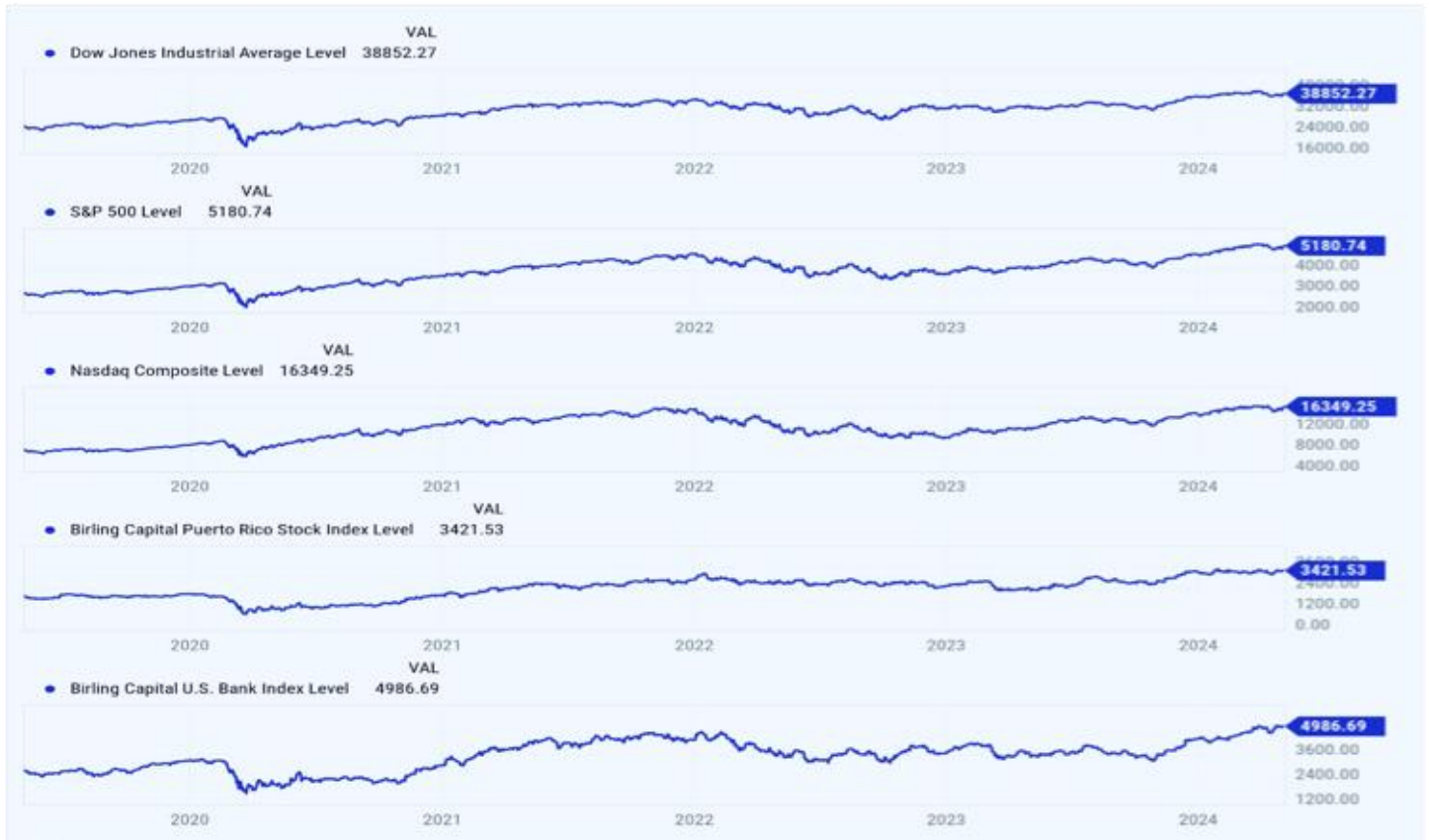




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