

The Home Depot revenues fell 4.2%, a net income decreased 7.14%, declining sales guidance between 2% and 5% for 2023, and Wall Street fell hard.

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The U.S. & European stock markets closed mostly down amid a plethora of data pointing to a deteriorating economic landscape, beginning with the earnings results of The Home Depot that fell in both revenues and earnings and provided a declining sales guidance; also, the U.S. Housing Market Index fell 11.11%, and the NY FED Business Leaders Survey Current Business Activity fell a whopping -41.66%.

On the somewhat positive side, U.S. Retail and Food Services Sales MoM rose to 0.42%, even though it came in below the consensus estimates that predicted at least double the current growth rate.

The growth areas include building materials, e-commerce, and restaurant dining, while contraction sales include furniture, clothing, and groceries.

The U.S. debt-ceiling meeting dialogue continues with President Joe Biden, House Speaker Kevin McCarthy, and other congressional leaders attempting to negotiate a deal to raise the debt ceiling; following the meeting, Speaker McCarthy gave signals of some hope that an agreement may arise and said "So, the structure of how we negotiate has improved. So, it now gives you a better opportunity, even though we only have a few days to get it done."

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated on 5/16/23 and fell to 2.60% GDP from 2.70%, a 3.70% decrease.

Corporate Earnings Parade:

- **The Home Depot (H.D.):** reported 1Q23 revenues of \$37.3 billion, down 4.2% Y-o-Y, and a net income of \$3.9 billion, falling 7.14% and while it beat the income estimates, it provided declining guidance of Sales and comparable sales of between 2% and 5% compared to fiscal 2022. The stock closed at \$282.27, down \$6.27 or 2.17%, with a price objective of \$328.23.

Key Economic Data:

- **U.S. Retail and Food Services Sales MoM:** rose to 0.42%, compared to -0.69% last month.
- **NY FED Business Leaders Survey Current Business Activity:** fell to -16.80, down from -9.80 last month.
- **U.S. Industrial Production MoM:** rose to 0.48%, compared to 0.05% last month.
- **U.S. Wholesalers Inventories MoM:** fell to -0.03%, compared to 0.05% last month.

- **U.S. Business Inventories MoM:** fell to -0.06%, compared to 0.03% last month.
- **NAHB/Wells Fargo US Housing Market Index:** fell to 50.00, up from 45.00 last month, decreasing 11.11%.
- **Canada Consumer Price Index YoY:** rose to 4.41%, compared to 4.30% last month.
- **Canada Inflation Rate:** rose to 4.41%, compared to 4.30% last month.
- **Canada Manufacturing Shipments:** rose to 72.26 billion, up from 71.75 billion last month, increasing 0.71%.
- **ZEW Indicator of Economic Sentiment for Germany:** fell to -10.70, down from 4.10 last month.
- **UK ILO Unemployment Rate:** rose to 4.00%, compared to 3.90% last month.
- **Japan Real GDP QoQ:** was recorded at 0.00%, compared to -0.30% last quarter.
- **Japan Industrial Production Index MoM:** fell to 0.84%, compared to 4.63% last month.

Eurozone Summary:

- **Stoxx 600** closed at 464.70, down 1.07 points or 0.42%.
- **FTSE 100** closed at 7,751.08, down 26.62 points or 0.34%.
- **Dax Index** closed at 15,897.93, down 19.31 points or 0.12%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,012.14, down 336.46 or 1.01%.
- **S&P 500** closed at 4,109.90, down 26.38 points or 0.64%.
- **Nasdaq Composite** closed at 12,343.05, down 22.16 points or 0.16%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,320.22, up 37.61 points or 1.65%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,557.21, up 53.39 points or 1.52%.
- **U.S. Treasury 10-year** note closed at 3.54%.
- **U.S. Treasury 2-year** note closed at 4.06%.



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GDPNow 5.16.23

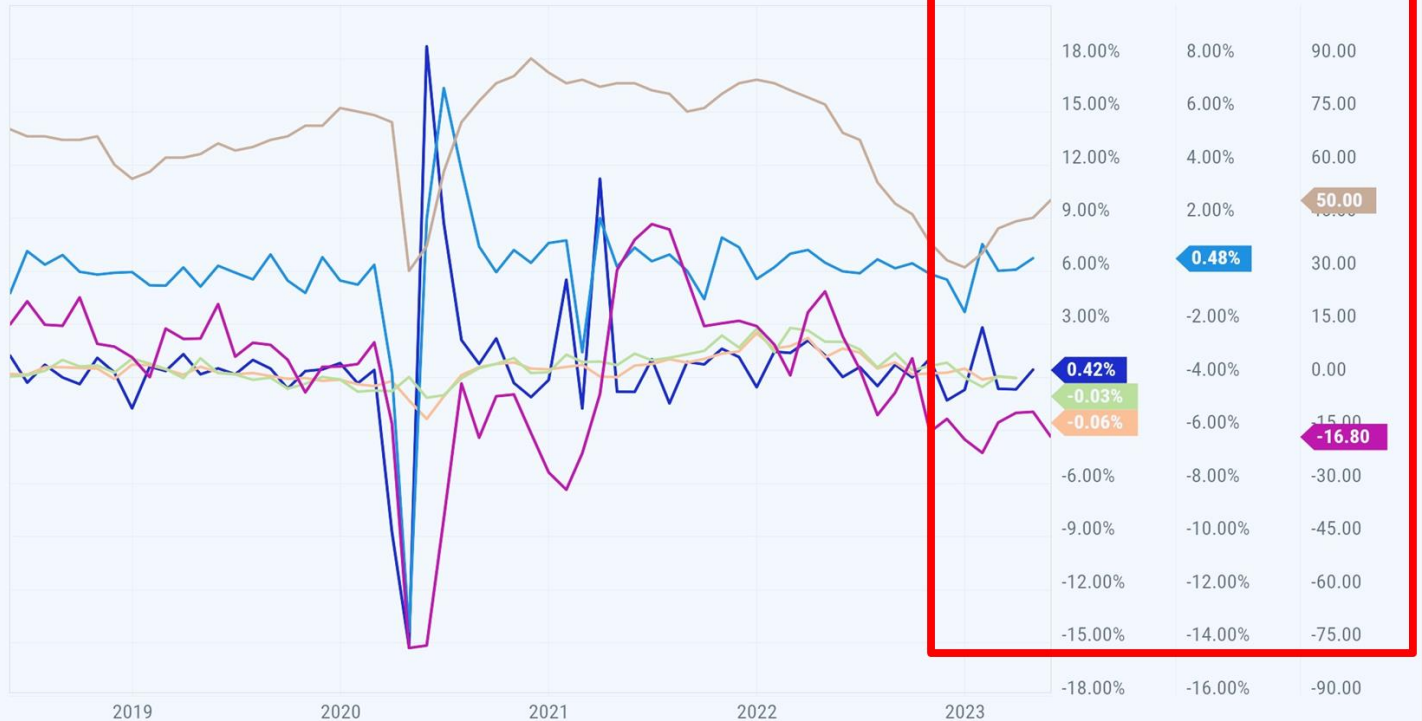
Second Quarter GDP Forecast

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%

US Retail Food & Food Service Sales, US Business Inventories, US Industrial Production, US Wholesalers Inventories, NY Fed Business Leaders Survey & NAHB/Well Fargo US Housing Market Index

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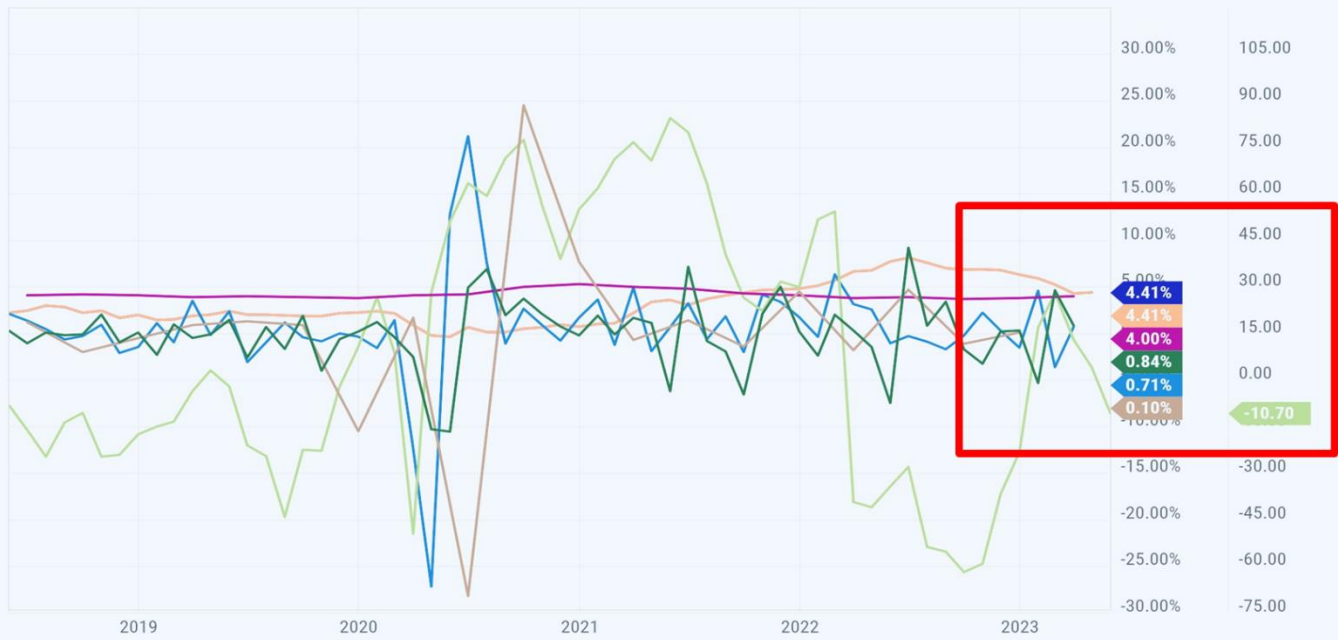
- US Retail and Food Services Sales MoM
- US Business Inventories MoM
- US Industrial Production MoM
- US Wholesalers Inventories MoM
- NY Fed Business Leaders Survey Current Business Activity
- NAHB/Wells Fargo US Housing Market Index



Canada CPI, Inflation Rate & Manufacturing Shipments, ZEW Indicator for Germany, UK ILO Unemployment Rate, Japan GDP & Japan Industrial Production

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- Canada Consumer Price Index YoY
- Canada Inflation Rate
- Canada Manufacturing Shipments MoM
- ZEW Indicator of Economic Sentiment for Germany
- UK ILO Unemployment Rate: Aged 16-64
- Japan Real GDP QoQ
- Japan Industrial Production Index MoM





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



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