

## The number of banks on the FDIC's "Problem Bank List" increased to 43, the Debt Ceiling bill is to be voted on today, and Wall Street closed down.

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by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets closed the session with losses as investors await the U.S. House of Representatives to vote on the Debt Ceiling bill, now called The Fiscal Responsibility Act Tuesday passed to the House for a vote after the House Rules Committee passed it with a 7-6 vote. According to reports, the voting should happen today near 8:30 p.m., which is on route for approval.

In Banking news, the FDIC reported today that their insured banking institutions reported a collective Net Income in 1Q23 of \$79.8 billion, increasing \$011.5 billion or 16.90% from 4Q22. The net income would have been flat from the fourth quarter without the two failed-bank acquisitions. The number of banks on the FDIC's "**Problem Bank List**", which are banks with a CAMELS composite rating of "4" or "5", increased to 43 with \$58.0 billion in Assets. The safety and soundness examinations focus on five critical areas called CAMEL. Banks are rated from 1 to 5 in each area, or component 1 being the highest rating and 5 being the lowest. The areas included are:

Capital adequacy,

Asset quality,

Management,

Earnings,

Liquidity

### Key Metrics:

- Total assets increased by \$119.6 billion or 0.5%.
- Total deposits declined \$472.1 billion or 2.5%.
- The Tier 1 risk-based capital ratio increased by ten basis points to 13.75%.
- Return On Assets (ROA) rose 1.36% in 1Q23.
- The Net Interest Margin Declined Quarter Over Quarter to 3.31%.
- Unrealized Losses on Securities totaled \$515.5 billion in 1Q23, down 16.5%.
- Total loan and lease balances declined \$14.6 billion or 0.1%.
- Nonaccrual Loans rose 0.75%.

According to data released on Wednesday, the Federal Deposit Insurance Fund's total assets fell by 9.37% to \$116 billion at the end of 1Q23, down from \$128 billion at the end of 4Q22. The ratio of assets to insured deposits fell to 1.1, the lowest since 2015.

## Key Economic Data:

- **U.S. Job Openings: Total Nonfarm:** rose to 10.10 million, up from 9.745 million last month, increasing 3.67% from last month.
- **Chicago PMI:** rose to 48.60, up from 43.80 last month, increasing 10.96%.
- **Canada Real GDP QoQ:** rose to 3.15%, compared to -0.15% last quarter.
- **Germany Consumer Price Index YoY:** fell to 6.10%, compared to 7.20% last month.
- **Japan Housing Starts YoY:** fell to -11.86%, compared to -3.19% last month.

## Eurozone Summary:

- **Stoxx 600** closed at 451.76, down 4.87 points or 1.07%.
- **FTSE 100** closed at 7,446.14, down 75.93 points or 1.01%.
- **Dax Index** closed at 15,664.02, down 244.89 points or 1.54%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 32,908.27, down 134.51 points or 0.41%.
- **S&P 500** closed at 4,179.83, down 25.69 points or 0.61%.
- **Nasdaq Composite** closed at 12,935.29, down 82.14 points or 0.63%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,398.66, down 8.43 points or 0.35%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,616.08, down 6.77 points or 0.19%.
- **U.S. Treasury 10-year note** closed at 3.64%.
- **U.S. Treasury 2-year note** closed at 4.40%.

## US Job Openings Total Nonfarm & US Unemployed Persons Job Seekers

- US Job Openings: Total Nonfarm
- US Unemployed Persons: Job Seeker





# Chicago PMI, Germany CPI, Canada GDP & Japan Housing Starts

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- Germany Consumer Price Index YoY
- Chicago PMI
- Canada Real GDP QoQ
- Japan Housing Starts YoY





## Wall Street Recap May 31, 2023



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