

Banco Popular (BPOP) beats estimates reporting a 1Q23 Net Income of \$159.0 million, EPS of \$2.22, up 8.33%, and Wall Street closed mixed.

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The U.S. and European stock markets were markedly lower today except for the Nasdaq, which closed up, buoyed by the solid earnings of Microsoft and Google, which beat expectations.

On the brick-and-mortar operations, the banking sector, particularly the regional banks, are under increased pressure again following First Republic's dismal earnings release and other tribulations that have taken the stock down from \$16.00 on Monday, April 24, to \$5.78 at the close of today trading a decrease of 63.88% in three days. further

Despite the added regional bank worries, there does not seem to be contagion to the other banks.

The Corporate earnings parade continues with mainly mixed reviews, and even though the season is still nascent, some comparisons have emerged.

Consumer spending is gradually slowing down; meanwhile, spending on services remains robust. Take, for example, the critical comment from airlines that have reported increased demand and higher prices as they recover from the pandemic shock. Another common theme is that most companies prepare for an economic hurricane, develop cost-cutting plans, increase efficiency, and reduce the workforce to preserve profitability.

We expect the labor markets to adjust to the new situation and predict that job growth will continue during 2023 as there are still 9.931 million job openings and only 5.082 million job seekers, a deficit of 48.92%.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated on 4/26/23 and fell to 1.10% GDP, a 54.5% decrease.

Corporate Earnings Parade:

- **Popular, Inc. (BPOP):** reported 1Q23 revenues of \$484.019 million, down 5.05% Y-o-Y, and a net income of \$159.0 million, falling 24.88% and surpassing consensus estimates. The earnings per share were \$2.22, which beat the forecast of \$2.035. The stock closed at \$59.00, up \$1.83 or 3.20%, with a price objective of \$73.67.

Key Economic Data:

- **U.S. Durable Goods New Orders MoM:** rose to 3.23%, compared to -1.18% last month.
- **U.S. Durable Goods Excluding Transportation New Orders MoM:** rose to 0.29%, compared to -0.26% last month.

- **U.S. Nondefense Capital Goods Excluding Aircraft New Orders MoM:** improved to -0.37%, compared to -0.57% last month.

Puerto Rico COVID-19 Update:

- Daily Cases: 52
- Positivity Rate: 13.01%
- Hospitalizations: 86
- Deaths: 3
- Source P R. Department of Health.

Eurozone Summary:

- Stoxx 600 closed at 463.04, down 4.04 points or 0.86%.
- FTSE 100 closed at 7,852.64, down 38.49 points or 0.49%.
- Dax Index closed at 15,795.73, down 76.40 points or 0.48%.

Wall Street Summary:

- Dow Jones Industrial Average closed at 33,301.87, down 228.96 or 0.68%.
- S&P 500 closed at 4,055.99, down 15.64 points or 0.38%.
- Nasdaq Composite closed at 11,854.35, up 55.19 points or 0.47%.
- Birling Capital Puerto Rico Stock Index closed at 2,306.68, down 51.85 points or 2.20%.
- Birling Capital U.S. Bank Stock Index closed at 3,700.65, down 84.53 points or 2.23%.
- U.S. Treasury 10-year note closed at 343%.
- U.S. Treasury 2-year note closed at 3.90%.

GDPNow Update 4/26/23

Date	GDPNow 1Q23	Change
1/27/23	0.70%	Initial Forecast
2/1/23	2.10%	200.0%
2/8/23	2.20%	4.5%
2/15/23	2.40%	8.3%
2/16/23	2.50%	4.0%
2/24/23	2.70%	7.4%
2/27/23	2.80%	3.6%
3/1/23	2.30%	-21.7%
3/7/23	2.00%	-15.0%
3/8/23	2.60%	23.1%
3/15/23	3.20%	18.8%
3/16/23	3.20%	0.0%
3/24/23	3.20%	0.0%
3/31/23	2.50%	-28.0%
4/3/23	1.70%	-47.1%
4/5/23	1.70%	0.0%
4/10/23	1.70%	0.0%
4/14/23	1.70%	0.0%
4/18/23	1.70%	0.0%
4/26/23	1.10%	-54.5%



Wall Street Recap April 26, 2023



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