



**GLOBAL
MARKET
SQUARE**



Abbot Reports earnings that miss EPS by 26.31%, European Markets Surge, and Wall Street Closed Down.

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The U.S. and European stock markets closed with mixed results, with Wall Street closing mixed and European markets closing broadly higher, except the United Kingdom, which dipped following a higher-than-anticipated U.K. inflation report. Treasury yields closed down today, with the 10-year yield at 4.59% and the 2-year yield at 4.93%.

Despite ongoing geopolitical tensions, oil prices continue their descent, opening at around \$85 per barrel.

First-quarter reports are in progress on the earnings front, with about 10% of the S&P 500 already reported. Initial estimates suggest a 1% year-over-year growth in S&P 500 earnings for Q1, down from the 3% projected growth by the end of March. Looking ahead to the rest of 2024, a 10% year-over-year earnings growth is anticipated. Despite flat earnings growth, last year's impressive 20% rally in the S&P 500 primarily relied on valuation expansion.

The second quarter begins sluggishly, with the S&P 500 down approximately 3.5% in April after a solid 10% gain in Q1. Nearly every sector experienced losses this month, except for communication services and energy, which saw modest gains.

The performance of investment-grade bonds has been underwhelming, mirroring the decline seen in the Bloomberg U.S. Aggregate Bond Index, which has dipped by nearly 3% this month.* This downtrend has been exacerbated by higher-than-anticipated U.S. inflation, pushing the 10-year Treasury yield up by almost 0.3 percentage points month-to-date and contributing to the retreat in stocks and bonds. Additionally, heightened geopolitical tensions arising from the Israel-Iran conflict have recently fueled risk aversion in equity markets. Investors need to recognize that market downturns are a regular occurrence, with the S&P 500 typically encountering around three 5% pullbacks each calendar year.

Despite these challenges, we maintain a positive outlook for equity markets and suggest that investors capitalize on periods of volatility by strategically augmenting their portfolios with high-quality investments aligned with their financial objectives.

On the Corporate Earnings Parade, Abbott Laboratories reported results that missed expectations (ABT). The stock closed at \$105.76 down 3.45%, as analysts were expecting earnings of \$0.95 per share and instead, it reported \$0.70, down 26.31%.

Corporate Earnings Parade:

- **Abbott Laboratories (ABT):** reported 1Q24 revenues of \$9.964 billion, up 2.2%, and Net Income of \$1.225 billion, down 7%. Abbott reached earnings per share of \$0.70, missing the estimates of \$0.95 by 26.31%, and has a price objective of \$126.38.

Key Economic Data:

- **Overall Net TIC Flows:** fell -83.82B, down from -64.75B last month.
- **U.S. Crude Oil Stocks WoW:** rose to 5.841M, up from 3.21M last week.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** fell to 3.10%, compared to 3.30% last month.
- **U.K. Consumer Price Index YoY:** fell to 3.20%, compared to 3.40% last month.
- **U.K. Core Consumer Price Index YoY:** fell to 4.21%, compared to 4.49% last month.
- **U.K. Producer Price Index: Input YoY:** -2.43%, compared to -2.17% last month.
- **U.K. Producer Price Index: Output YoY:** 0.59%, compared to 0.37% last month.
- **U.K. Average House Price YoY:** is at -0.21%, compared to -1.33% last month.

Eurozone Summary:

- **Stoxx 600** closed at 498.52, up 0.31 points or 0.062%.
- **FTSE 100** closed at 7,847.99, up 27.63 points or 0.35%.
- **Dax Index** closed at 17,770.02, up 3.79 points or 0.021%.

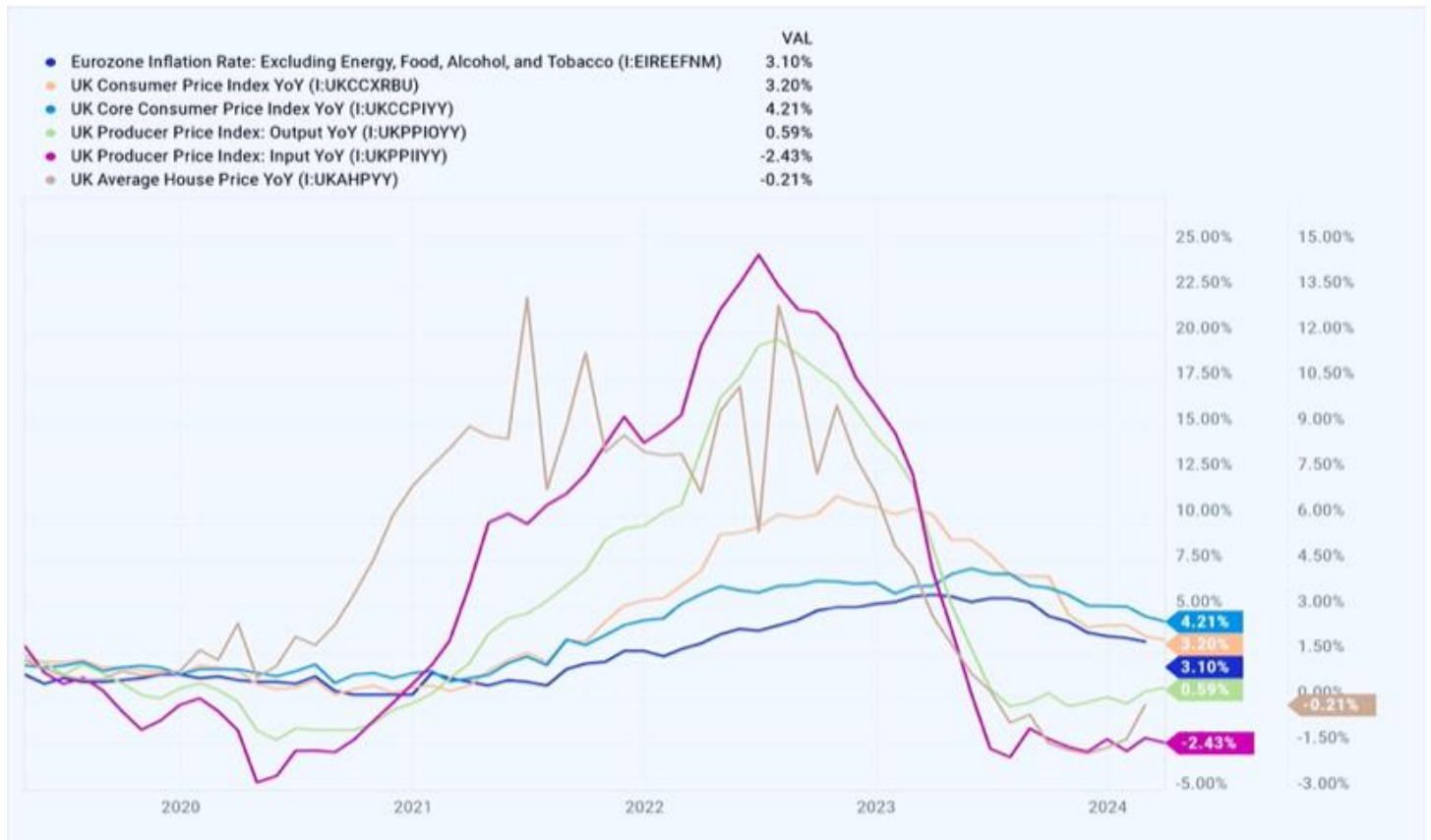
Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,753.31, down 45.66 points or 0.12%.
- **S&P 500** closed at 5,022.21, down 29.20 points or 0.58%.
- **Nasdaq Composite** closed at 15,683.37, down 181.88 points or 1.18%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,239.50, down 30.78 points or 0.94%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,672.22, down 103.25 points or 2.16 %.
- **U.S. Treasury 10-year note** closed at 4.59%.
- **U.S. Treasury 2-year note** closed at 4.93%.



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EU Inflation Rate, UK CPI, UK Core CPI, UK PPI Output, UK PPI Input and UK Average House Price





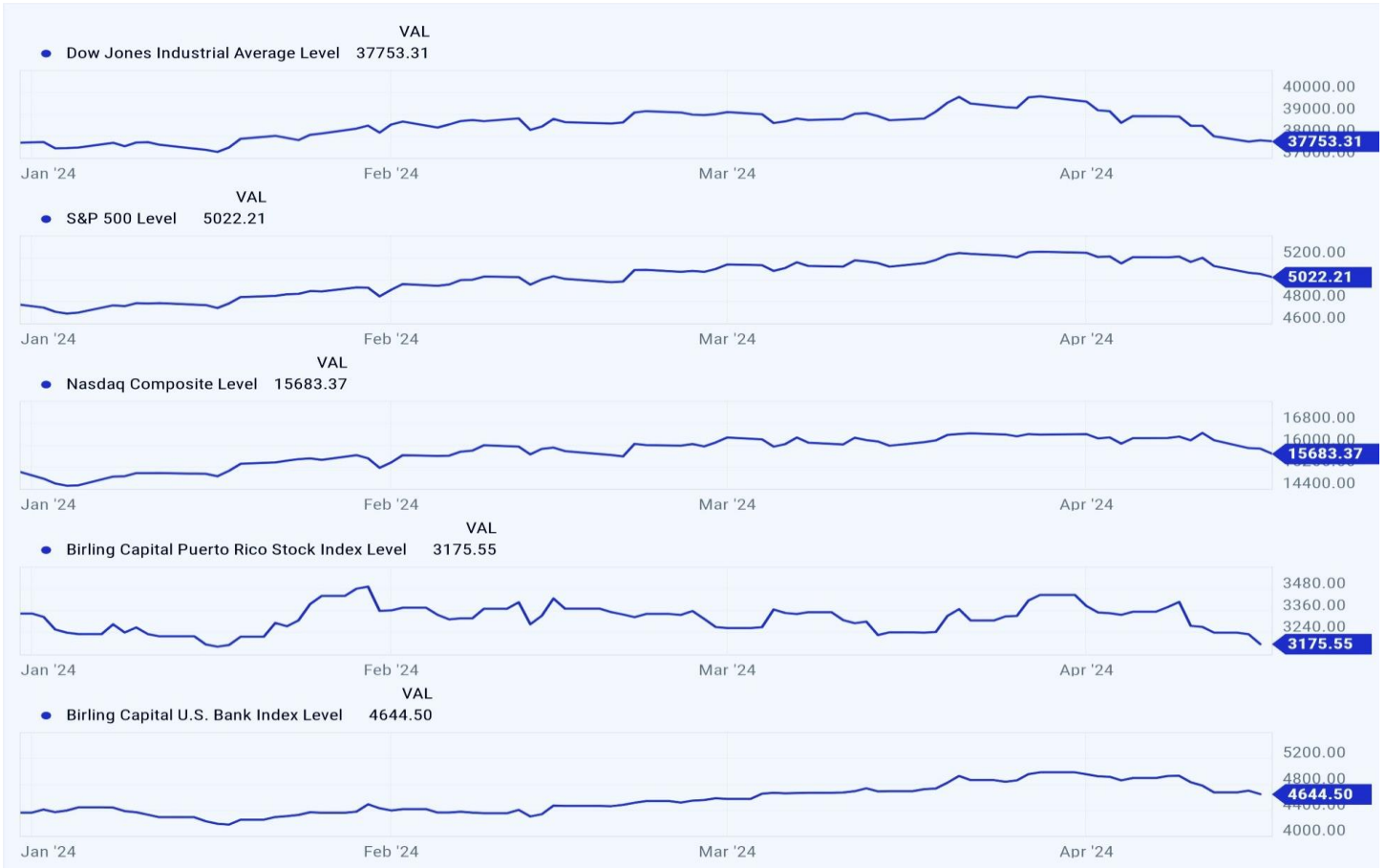
The Economic Cycle





Wall Street Recap

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