

# GLOBAL MARKET SQUARE



**A Big earnings week begins with Bank of America; meanwhile, the Fed, after losing control of inflation, now inflation targets may have to be raised, and Wall Street closed lower.**

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The U.S. & European stock markets began the week with mixed results ahead of an exceptionally active earnings week that started today with Bank of America and BNY Mellon reporting better-than-expected results. The issue big on everyone's minds is the upcoming Fed meeting in which the expectation for the bank may raise rates by 50 basis points to fight inflation. Another angle has surfaced about the fight on inflation and is whether the Fed target rate of 2% is realistic or will the Fed be forced to raise its core inflation rates, showing that the Fed indeed lost control of inflation.

## **Corporate Earnings Parade:**

- Bank of America (BAC): reported 1Q22 earnings with revenues of \$23.2 billion, up 2% versus 1Q21, and Net income of \$7.1 billion, down 14% over 1Q21. The stock is trading at \$38.77, up \$1.20 with a price target of \$49.98.
- BNY Mellon (BK): reported 1Q22 earnings with revenues of \$3.926 billion, up 0.12% versus 1Q21, and Net income of \$918 million, down 20% over 1Q21. The stock is trading at \$46.21, down \$1.08, with a price target of \$60.24.
- Synchrony Financial (SYF): reported 1Q22 earnings with revenues of \$3.789 billion, up 10% versus 1Q21, and Net income of \$932 million, down 9% over 1Q21. The stock is trading at \$40.02, up \$2.32, with a price target of \$49.90.

## **Key economic data:**

- N.Y. Fed Business Leaders Survey Current Business Activity: rose to 24.20, up from 18.30 last month, a 32.24% increase.
- NAHB/Wells Fargo US Housing Market Index: fell to 77.00, down from 79.00 last month, decreasing by 2.53%.
- China Real GDP YoY: fell to 4.00%, compared to 4.90% last quarter.
- Japan Industrial Production Index MoM is at 0.10%, compared to -0.83% last month.

## **Puerto Rico COVID-19 Update:**

- Daily Cases: 331, up 36.77%.
- Positivity Rate: 18.95%, rising 4.74%.
- Hospitalizations: 141, up 243%.
- Deaths: 0
- Vaccination Rate: 86.9%.
- Source Puerto Rico Department of Health

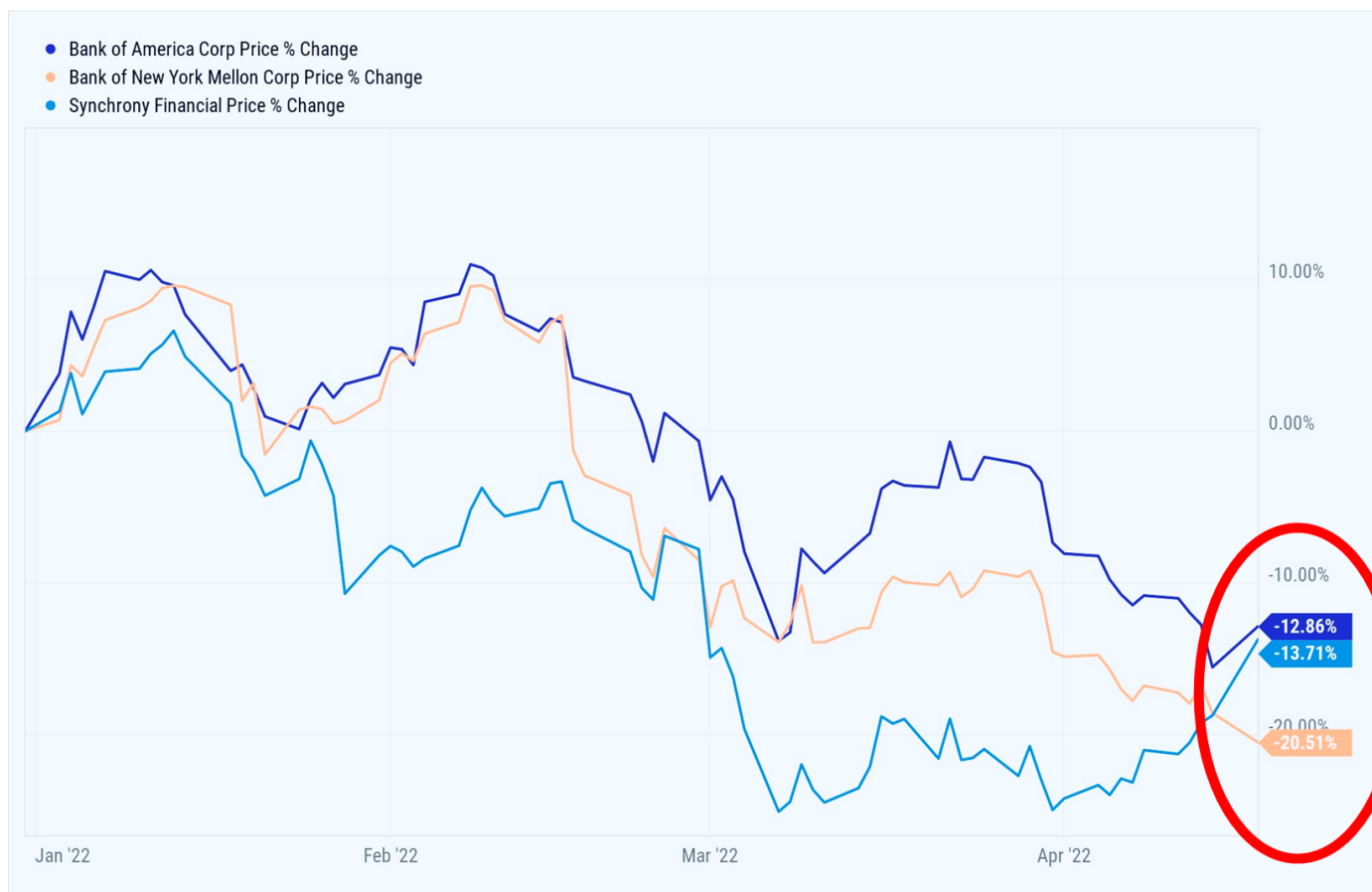
## Eurozone Summary for April 18:

- Stoxx 600 closed at 459.82, up 3.04 points or 0.67%
- FTSE 100 Market is closed for holiday.
- Dax Index closed at 14,163.85, up 87.41 points or 0.62%.

## Wall Street Summary for April 18:

- Dow Jones Industrial Average closed at 34,411.69, down 39.54 points or 0.11%.
- S&P 500 closed at 4,391.69, down 0.90 points or 0.02%.
- Nasdaq Composite closed at 13,332.36, down 18.72 points or 0.14%.
- Birling Capital Puerto Rico Stock index closed at 2,691.38, down 14.37 points or 0.53.
- The U.S. Treasury 10-year note closed at 2.85%.
- The U.S. Treasury 2-year note closed at 2.46%.

## Corporate Earnings Parade: Bank of America, BNY Mellon & Synchrony Financial Year to Date Returns





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