

The U.S. economy has surprised economists by falling into a -1.40% contraction, corporate earnings continued beating expectations, and Wall Street closed up.

April 28, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets closed with gains following a stream of primarily positive corporate earnings that we're able to dampen somewhat the negativity of U.S. GDP contraction of -1.40%. The earnings beat of META(FB), Microsoft (MSFT), General Motors (GM), Popular (BPOP), and First Bancorp. (FBP) fueled a positive sentiment.

After the market closes, Apple (AAPL) and Amazon (AMZN) will report their respective numbers. Ahead of the quarterly results, Apple has risen 4.38%, and Amazon rose 5.07%; we shall soon see the results.

In Europe, the situation has turned more complex as Russia has decided to cut off Gas and Oil supplies to NATO members Poland and Bulgaria. Both nations were not willing to comply with Gazprom's request to pay in Rubbles as doing so would violate the European Union sanctions. Russia is a significant supplier of natural Gas and Oil as Europe buys 40% of its Gas and 25% of its oil.

Corporate earnings parade:

- First Bancorp. (FBP): reported 1Q22 earnings with revenues of \$125,625 million, up 29.01%, and net income of \$82.6 million, up 10.89%, beating expectations by 24.24%. The stock has a price target of \$17.40.
- Mastercard (MA): reported 1Q22 earnings with revenues of \$5.2 billion, up 24%, and net income of \$2.6 billion, up 44%. The stock has a price target of \$430.30.
- Eli Lilly and Co (LLY): reported 1Q22 earnings with revenues of \$7.81 billion, up 15%, and net income of \$1.90 billion, up 40%. The stock has a price target of \$295.32.
- Merck & Co Inc (MRK): reported 1Q22 earnings with revenues of \$15.9 billion, up 50%, and net income of \$4.3 billion, up 57%. The stock has a price target of \$91.84.

Key economic data:

- U.S. Real GDP QoQ: fell to -1.40%, compared to 6.90% last quarter.
- U.S. Total Vehicle Sales: rose to 15.46 million, up from 13.00 million last month, increasing 18.88%.
- U.S. Initial Claims for Unemployment Insurance: fell to 180,000, down from 185,000 last week, decreasing -2.70%.
- 30 Year Mortgage Rate: rose to 5.11%, compared to 5.00% last week.
- U.S. Gross Domestic Purchases Price Index QoQ: rose to 7.80%, compared to 7.00% last quarter.
- Kansas City Fed Manufacturing Production Index: rose to 46.00, up from 31.00 last month.
- Eurozone Economic Sentiment Indicator: fell to 108.50, down from 113.90 last month, decreasing -4.74%.
- Eurozone Consumer Confidence Indicator: fell to -18.70, down from -8.80 last month.
- Germany Consumer Price Index YoY: rose to 7.40%, compared to 7.30% last month.
- Japan Housing Starts YoY: fell to 6.04%, compared to 6.34% last month.

Puerto Rico COVID-19 Update:

- Daily Cases: 773, up 3.49%.
- Positivity Rate: 20.22%, down 2.17%.
- Hospitalizations: 213, down 4.48%.
- Deaths: 2, down 33.3%.
- Vaccination Rate: 87%.
- Source Puerto Rico Department of Health

Eurozone Summary for April 28:

- Stoxx 600 closed at 447.07, up 7.46 points or 0.62%.
- FTSE 100 closed at 7,509.19, up 83.58 points or 1.13%.
- Dax Index closed at 13,979.84, up 185.90 points or 1.35%.

Wall Street Summary for April 28:

- Dow Jones Industrial Average closed at 33,916.39, up 614.46 points or 1.85%.
- S&P 500 closed at 4,287.50, up 103.54 points or 2.47%.
- Nasdaq Composite closed at 12,871.53, up 312.59 points or 3.06%.
- Birling Capital Puerto Rico Stock index closed at 2,666.27, up 35.14 points or 1.34%.
- The U.S. Treasury 10-year note closed at 2.85%.
- The U.S. Treasury 2-year note closed at 2.63%.



www.birlingcapital.com

Unemployment Data

4.28.22



The federal Labor Department reported on April 28 that jobless claims fell to 180,000 last week versus 185,000 a -2.70% decrease.



U.S. Real GDP contracts -1.40%

- US GDP
- US Real GDP QoQ
- US Total Vehicle Sales
- US Gross Domestic Purchases Price Index QoQ
- Kansas City Fed Manufacturing Production Index



Corporate Earnings Parade: First Bancorp., Mastercard, Eli Lilly & Merck & Co.





Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.