

Bellwether Retailers Walmart and The Home Depot surpassed earnings expectations, while housing starts fell -by 9.57%, and Wall Street closed with mixed results.

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The U.S. and European stock markets continued their winning streak fueled by more robust than expected earnings results from two bellwether retailers, Walmart, and The Home Depot, which surpassed their earnings expectations taking their shares higher. The outlier was the Nasdaq Composite which closed slightly down. Tomorrow Target (TGT) and Lowe's (LOW) report their earnings, setting the stage for a clear view of critical constituents of the retail sector that will provide additional data on how they are dealing with the global supply disruptions, inflation, and inventory management.

In economic news, two key metrics of the real estate sector reported continued weakness for one, the Housing Starts decreased -9.57% and Building Permits -1.30%. During the past seven months, four metrics have been down and three up, and with interest rates rising, the projection is to veer lower.

The combination of strong retail sales and weak economic data in the U.S. and Europe provides a critical comparison that forces us to be vigilant.

Corporate Earnings Parade:

- Walmart, Inc (WMT): reported its 2Q23 earnings with revenues of \$152.9 billion, up 8.40%, and a net income of \$5.149 billion, up 20.40%, beating estimates. The company stock has a price target of \$141.75, closing at \$139.29, up 5.05%.

The Home Depot (HD): reported its 2Q22 earnings with revenues of \$43.8 billion, up 6.50%, and a net income of \$5.213 billion, up 11.50%, beating estimates. The company stock has a price target of \$352.40, closing at \$327.65, up 4.14%.

Key Economic Data:

- U.S. Housing Starts: fell to 1.446 million, down from 1.599 million last month, decreasing -9.57%
- U.S. Building Permits: fell to 1.674M, down from 1.696M last month, decreasing -1.30%.
- U.S. Industrial Production MoM: rose to 0.56%, compared to 0.01% last month.
- N.Y. Fed Business Leaders Survey Current Business Activity: improved to -4.40, up from -10.70 last month.
- Canada Consumer Price Index YoY: fell to 7.59%, compared to 8.13% last month.
- Canada Inflation Rate: fell to 7.59%, compared to 8.13% last month.
- ZEW Indicator of Economic Sentiment for Germany: fell to -55.30, down from -53.80 last month.
- UK ILO Unemployment Rate: rose to 3.90%, compared to 3.80% last month.
- Japan Machinery Orders YoY: fell to 5.88%, compared to 19.22% last month.

Puerto Rico COVID-19 Update August 16:

- Daily Cases: 526, up 0.19%.
- Positivity Rate: 27.29%, down 12.78%.
- Hospitalizations: 382, up 7.06%.
- Deaths: 17
- Source Puerto Rico Department of Health.

Eurozone Summary for August 16:

- Stoxx 600 closed at 443.35, up 1.00 points or 0.23%.
- FTSE 100 closed at 7,536.06, up 26.91 points or 0.36%.
- Dax Index closed at 13,910.12, up 93.51 points or 0.68%.

Wall Street Summary for August 16:

- Dow Jones Industrial Average closed at 34,152.01, up 239.57 points or 0.71%.
- S&P 500 closed at 4,305.20, up 8.06 points or 0.19%.
- Nasdaq Composite closed at 13,102.55, down 25.50 points or 0.10%.
- Birling Capital Puerto Rico Stock index closed at 2,900.51, up 0.87 points or 0.03%.
- The U.S. Treasury 10-year note closed at 2.82%.
- The U.S. Treasury 2-year note closed at 3.25%.



US Housing Starts, US Building Permits, US Industrial Production & NY Fed Business Leaders Survey





Canada CPI, Canada Inflation Rate, ZEW Indicator of Economic Sentiment for Germany, UK Unemployment & Japan Machinery orders

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- Canada Consumer Price Index YoY
- Canada Inflation Rate
- ZEW Indicator of Economic Sentiment for Germany
- UK ILO Unemployment Rate: Aged 16-64
- Japan Machinery Orders YoY





Corporate Earnings Parade

Walmart & The Home Depot

YTD Return 8/16/22



Dow Jones, S&P 500, Nasdaq & Birling Puerto Rico Stock Index, YTD Returns 8/16/22





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Wall Street Recap

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