

# US Retail Sales Surge, Goldman Sachs Beats First-Quarter 24 Earnings, and Wall Street Closed Down.

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The U.S. and European stock markets began the week with mixed results following Friday's notable decline, marking the steepest since October.

While the U.S. economy is robust, and there are optimistic sentiments regarding the containment of the Israel-Iran conflict, many issues are at play. The markets are awaiting Israel's response from Iran's attack. As we continue evaluating the corporate earnings today, we highlight below Goldman Sachs 1Q24 earnings which beat all earnings estimates with revenues up 16% and Net Income up 28% and the stock rose north of \$11.39 to close at \$400.88.

In Economic news, U.S. retail sales surged, adding to favorable economic indicators and bolstering investor confidence. Conversely, bonds faced pressure, as the 10-year Treasury yield surged to 4.63%, its loftiest since November. Expectations for rate cuts have been tempered, with markets now eyeing between one to two cuts by year-end, with the first likely to occur in September, a shift from the previously anticipated June cut.

While geopolitics has taken center stage, particularly following Iran's retaliatory actions over the weekend, there is cautious optimism that the conflict can be contained. Israel, backed by its allies, managed to thwart most of the attacks, though uncertainties linger regarding Israel's response. From a market standpoint, concerns primarily revolve around the potential for sustained escalation leading to higher energy prices, consequently delaying central bank easing efforts. Presently, energy supply-demand dynamics remain stable. On the demand side, global growth prospects are gradually improving, albeit subdued outside the U.S. OPEC+ maintains production restraint on the supply front, extending output cuts into the second quarter. However, in the event of a price surge, OPEC countries retain spare capacity to ramp up production and mitigate prolonged price hikes, with Saudi Arabia, the United Arab Emirates, and Iraq withholding approximately five million barrels per day from the market, equivalent to about 5% of global demand, surpassing Iran's production capacity. Historical trends suggest that while geopolitical tensions may momentarily rattle confidence, markets typically pivot towards more enduring performance drivers over time.

Confirming the robustness of the U.S. economy, March's U.S. retail sales exceeded expectations, with the preceding month's figures revised upwards, underscoring resilient consumer spending and concluding the first quarter with positive momentum. Control-group sales, excluding specific sectors, surged by 1.1%, the sharpest annual increase, feeding into GDP calculations. Coupled with robust payroll gains and elevated inflation readings, the uptick in retail sales indicates a tempered pace for Fed interest rate cuts. Despite potential slower policy easing, an enhanced growth outlook outweighs concerns, as ongoing economic expansion and a manufacturing resurgence can bolster corporate profits, extending the current phase of expansion and bullish market sentiment.

### Corporate Earnings Parade:

- **Goldman Sachs:** reported 1Q24 revenues of \$14.21 billion, up 16%, and Net Income of \$4.13 billion, up 28%. Goldman reached earnings per share of \$11.38, beating the estimates of \$8.637 by 32%, and has a stock price objective of \$431.27.

### Key Economic Data:

- **U.S. Retail and Food Services Sales MoM:** rose 0.72%, compared to 0.94% last month.
- **U.S. Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM:** rose to 1.06%, compared to 0.59% last month.
- **U.S. Retail Gas Price:** rose to \$3.712, up from \$3.636 last week, increasing 2.09%.
- **U.S. Business Inventories MoM:** rose to 0.45%, compared to 0.01% last month.
- **U.S. Wholesalers Inventories MoM:** rose to 0.51%, compared to -0.23% last month.
- **NAHB/Wells Fargo US Housing Market Index:** is unchanged at 51.00, from 51.00 last month.
- **Canada Wholesale Sales MoM:** rose to 2.28%, compared to 0.39% last month.
- **Canada Manufacturing Shipments:** rose to 71.60 billion, up from 71.09 billion last month.
- **Eurozone Industrial Production Index YoY:** is at -6.40%, compared to -6.60% last month.

### Eurozone Summary:

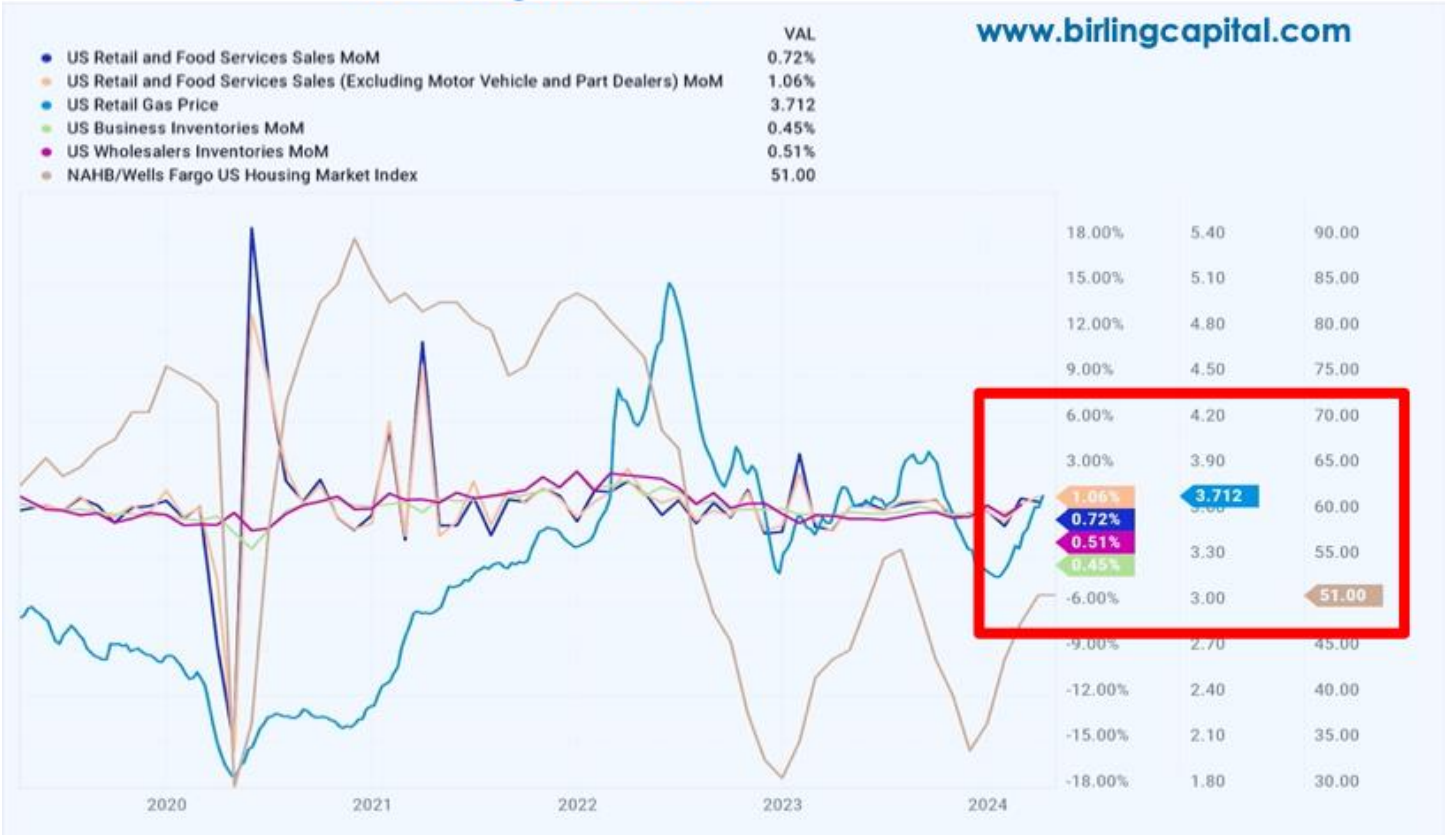
- **Stoxx 600** closed at 505.25, up 0.70 points or 0.14%.
- **FTSE 100** closed at 7,995.58, up 71.78 points or 0.91%.
- **Dax Index** closed at 17,930.32, down 24.16 points or 0.13%.

### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,735.11, down 248.13 points or 0.65%.
- **S&P 500** closed at 5,061.82, down 61.59 points or 1.20%.
- **Nasdaq Composite** closed at 15,885.02, down 290.08 points or 1.79%.
- **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 4.63%.
- **U.S. Treasury 2-year note** closed at 4.93%.



# US Retail Sales and Food Services, US Retail Gas Price, US Business Inventories, US Wholesale inventories & NAHB/Wells Fargo US Housing Market





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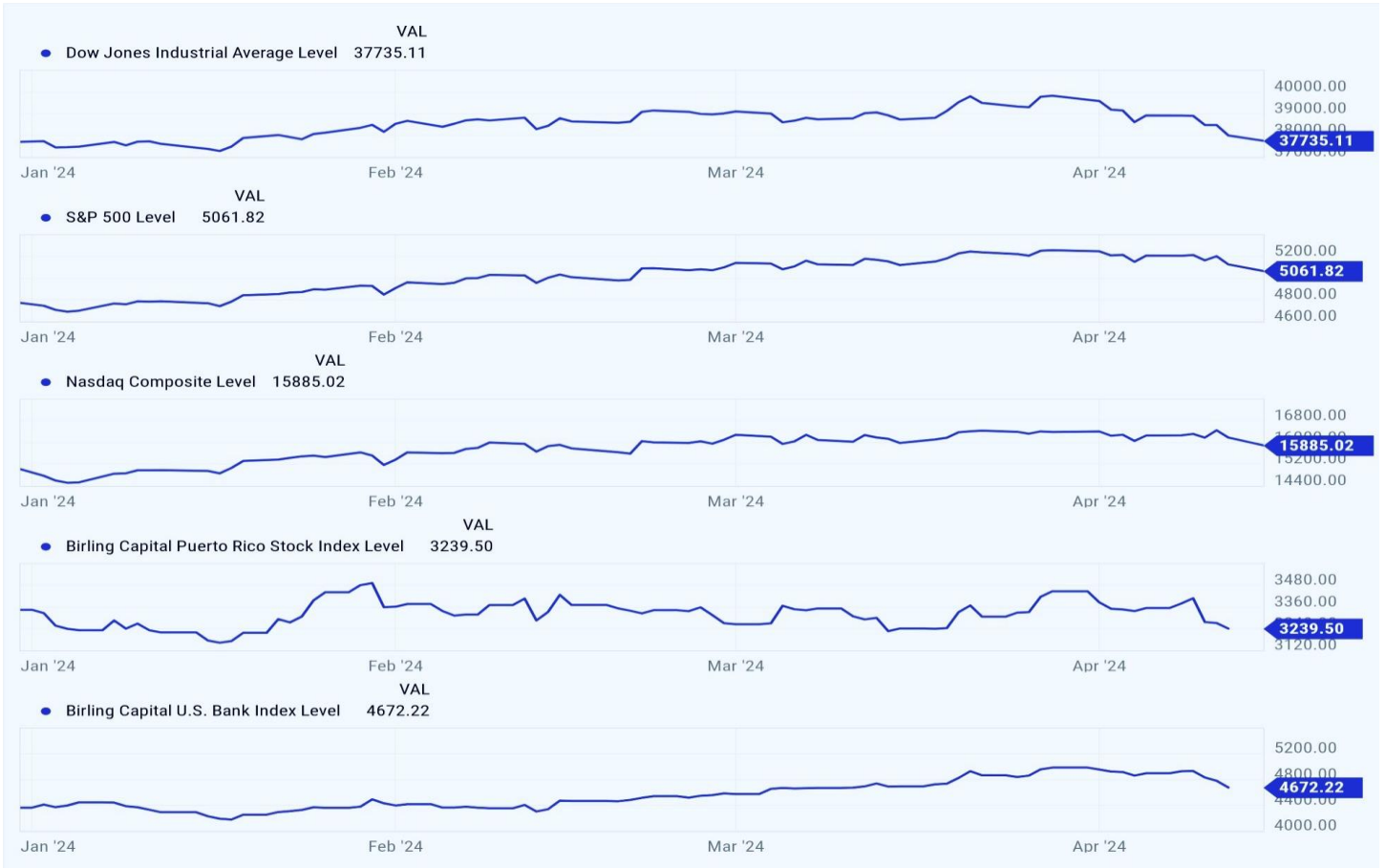
# Canada Wholesale Sales, EU Industrial Production Index & Canada Manufacturing Shipments





# Wall Street Recap

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