

Oriental's net income rose 7.49% to \$1.05 EPS, beating estimates; existing home sales rose, and Wall Street closed mixed.

April 18, 2024

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed with asymmetrical results. Wall Street tried unsuccessfully to snap the losing streak; only the Dow Jones closed marginally up, while European markets continued rising.

The S&P 500 displayed a balanced sector performance, with seven of the eleven sectors higher, notably led by utilities and communication services. However, the technology sector lost 1.11% due to concerns raised by Taiwan Semiconductor's guidance, casting uncertainty over semiconductor demand in the coming months.

Asian markets rose despite President Joe Biden's proposal to increase tariffs on specific Chinese steel and aluminum products to 25% from the current 7.5%. While attention-grabbing, the direct market impact of these tariffs is expected to be limited, considering China accounted for only 2% of the dollar value of U.S. steel imports in the first two months of 2024.

Treasury yields closed at 4.64% for the 10-year and 4.98% for the 2-year. In economic news, jobless claims were unchanged at a low of 212,000, underscoring tight labor-market conditions, and existing home sales rose 9.50%.

Today, Puerto Rico's OFG Bancorp, Oriental Bank's bank holding company, reported earnings that surpassed estimates. Total Assets rose to \$11.199 billion, up 13.12%; Total Loans exceeded \$7.541 billion, up 9.83%; and Total Deposits reached \$9.591 billion, up 11.46%, a solid performance across the board; on deck for quarterly earnings are Popular, Inc. bank holding company for Banco Popular and First Bancorp. bank holding company for First Bank on April 23.

On deck in the economic calendar for next week will be the first-quarter 2024 GDP release on April 25. The latest GDPNow has the 1Q24 GDP at 2.90%; however, on the other side of the coin, Economists polled anticipate a 2% quarter-over-quarter annualized growth, slightly lower than last quarter but still indicative of healthy economic expansion, which all the recent economic data, robust retail sales and the return of manufacturing activity to expansionary territory support it.

Corporate Earnings Parade:

- **OFG Bancorp (OFG):** reported 1Q24 revenues of \$174.161 million, up 5.91%, misses the estimate, and Net Income of \$49.692 million, up 7.49%. Oriental reached earnings per share of \$1.05, beating estimates of \$0.95 by 10.52%, and has a price objective of \$42.50. The Tier 1 Capital was 14.45%, up 2.70%.

Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** 212,000, unchanged from 212,000.0 last week.
- **U.S. Existing Home Sales:** rose to 4.38 million, up from 4.00 million last month, increasing 9.50%.
- **30-year mortgage rate:** rose to 6.88%, compared to 6.82% last week.
- **Japan Consumer Price Index YoY:** rose to 2.80%, compared to 2.20% last month.

Eurozone Summary:

- **Stoxx 600** closed at 499.70, up 1.18 points or 0.24%.
- **FTSE 100** closed at 7,877.05, up 29.06 points or 0.37%.
- **Dax Index** closed at 17,837.40, up 67.38 points or 0.38%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,775.38, up 22.07 points or 0.06%.
- **S&P 500** closed at 5,011.12, down 11.09 points or 0.22%.
- **Nasdaq Composite** closed at 15,601.50, down 81.87 points or 0.52%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,172.23, down 4.14 points or 0.13%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,701.97, up 57.47 points or 1.24 %.
- **U.S. Treasury 10-year note** closed at 4.64%.
- **U.S. Treasury 2-year note** closed at 4.98%.



Federal Reserve Bank of Atlanta

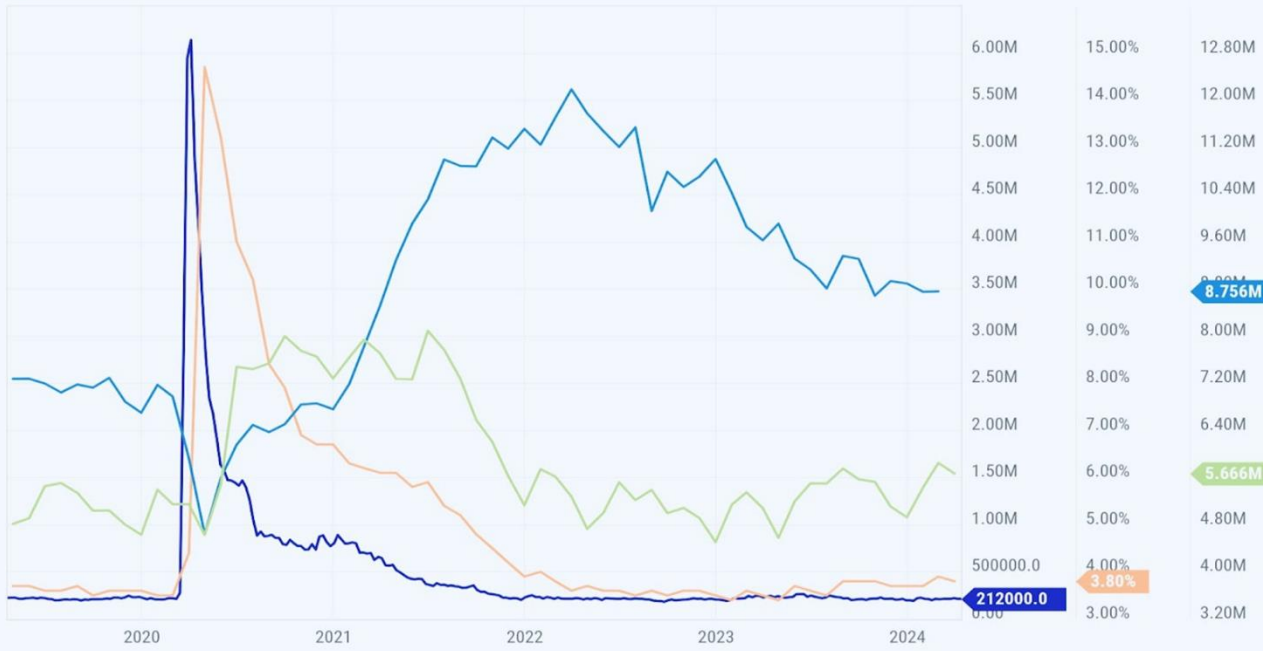
GDPNow Update

Date	GDPNow 1Q24	Change
1/26/2024	3.00%	Initial Forecast
2/8/2024	3.40%	13.33%
2/16/2024	2.90%	-14.71%
2/29/2024	3.00%	3.45%
3/1/2024	2.10%	-30.00%
3/6/2024	2.50%	19.05%
3/7/2024	2.50%	0.00%
3/14/2024	2.30%	-8.00%
3/19/2024	2.10%	-8.70%
3/29/2024	2.30%	9.52%
4/1/2024	2.80%	21.74%
4/4/2024	2.50%	-10.71%
4/10/2024	2.40%	-4.00%
4/16/2024	2.90%	20.83%



US Initial Claims for Unemployment are unchanged at 212,000

- US Initial Claims for Unemployment Insurance 212000.0
- US Unemployment Rate 3.80%
- US Job Openings: Total Nonfarm 8.756M
- US Unemployed Persons: Job Seeker 5.666M



US Existing Home Sales & 30-Year Mortgage Rate

	VAL
● US Existing Home Sales	4.38M
● 30 Year Mortgage Rate	6.88%

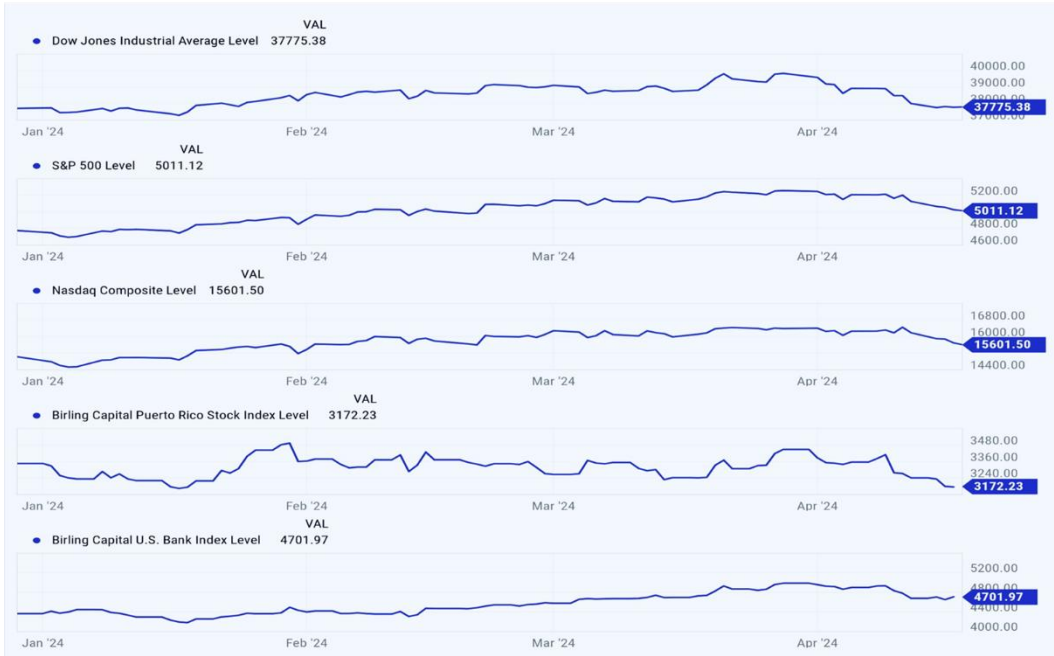




Wall Street Recap

April 18, 2024

www.birlingcapital.com



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.