

American Express Net Income Rises 34%, Global Markets Navigate a Geopolitical Minefield, and Wall Street Closed Mixed.

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The U.S. and European stock markets closed with mixed results. Wall Street's losing streak continues except for the Dow Jones, which closed 211.01 points higher, mainly due to American Express, which closed up \$231.04, rising \$13.54. The geopolitical tensions persist, particularly following the Israeli retaliatory strike on Iran. The initial market dips in the futures markets spread to Asia, Europe, and the U.S., and the overall sentiment remains cautious due to ongoing Middle East conflicts and concerns about inflation impacting the Fed's rate cut plans. Oil prices reflect market uncertainty, while Treasury bond yields have decreased, indicating a defensive posture among investors.

The first-quarter earnings season for the S&P 500 has started, with attention paid to Friday's releases from Netflix, Procter & Gamble, and American Express. Each company's performance provides valuable insights into broader market trends. Netflix surpassed consensus expectations on revenue and earnings, although its forward guidance fell short, suggesting formidable expectations within the tech and communication sectors. This sentiment aligns with the sector's exceptional performance over the past year.

Procter & Gamble and American Express, two key players, shed light on consumer sentiment. Procter & Gamble, in particular, revised its earnings growth outlook upward based on robust demand forecasts. However, the company also noted a trend of consumers adjusting to higher prices. As we navigate through 2024, it's important to note that overall earnings growth is poised to dictate market dynamics. Consensus is projecting approximately 10% profit growth for the S&P 500, which is a reasonable forecast. However, sustaining it will necessitate ongoing economic resilience, a factor investor should consider.

Despite the recent market pullback, the S&P 500, after a robust rally from October to April, has entered a period of consolidation. This past week marked the third consecutive weekly decline, the first instance in over five months. While market volatility can be unsettling, it's crucial to maintain perspective. The current decline, approximately 5% from the all-time high, falls within the historical range of typical market fluctuations.

Potential factors contributing to ongoing volatility include inflation, Federal Reserve policy considerations, and geopolitical tensions in the Middle East. Despite these uncertainties, the fundamental underpinnings of the bull market remain intact, presenting compelling buying opportunities amidst temporary pullbacks.

Corporate Earnings Parade:

- **American Express Co (AXP):** reported 1Q24 revenues of \$15.801 billion, up 11%, beating the estimate, and Net Income of \$2.437 billion, up 34%. Amex reached earnings per share of \$3.34, beating estimates of \$2.98 by 12.08%, and has a price objective of \$218.55. The Stock Closed at \$231.11, rising \$13.61, up 6.26% and destroying the price objective.

Key Economic Data:

- **UK Retail Sales YoY:** rose to 0.80%, compared to -0.30% last month.
- **Germany Producer Price Index YoY:** is at -2.90%, compared to -4.10% last month.

Eurozone Summary:

- **Stoxx 600** closed at 499.29, down 0.41 points or 0.082%.
- **FTSE 100** closed at 7,895.85, up 18.80 points or 0.24%.
- **Dax Index** closed at 17,737.36, down 100.04 points or 0.56%.

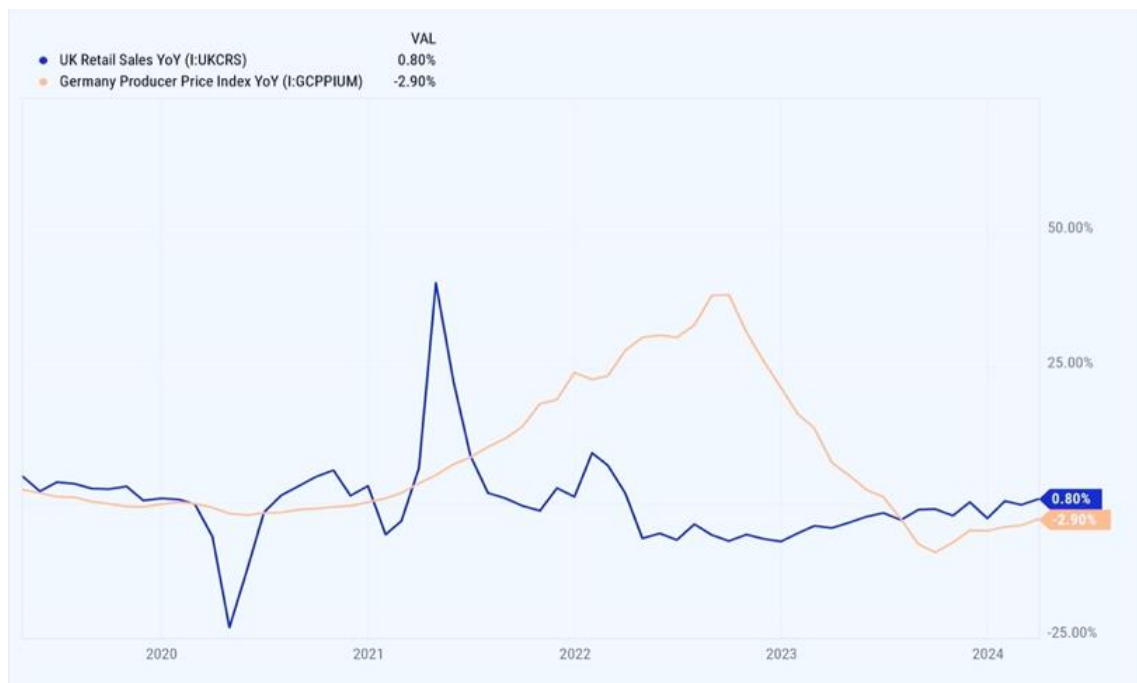
Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,986.40, up 211.02 points or 0.56%.
- **S&P 500** closed at 4,967.23, down 43.89 points or 0.88%.
- **Nasdaq Composite** closed at 15,282.01, down 319.49 points or 2.05%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,193.18, up 20.34 points or 0.64%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,742.98, up 41.02 points or 0.87 %.
- **U.S. Treasury 10-year note** closed at 4.62%.
- **U.S. Treasury 2-year note** closed at 4.97%.



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UK Retail Sales & Germany PPI





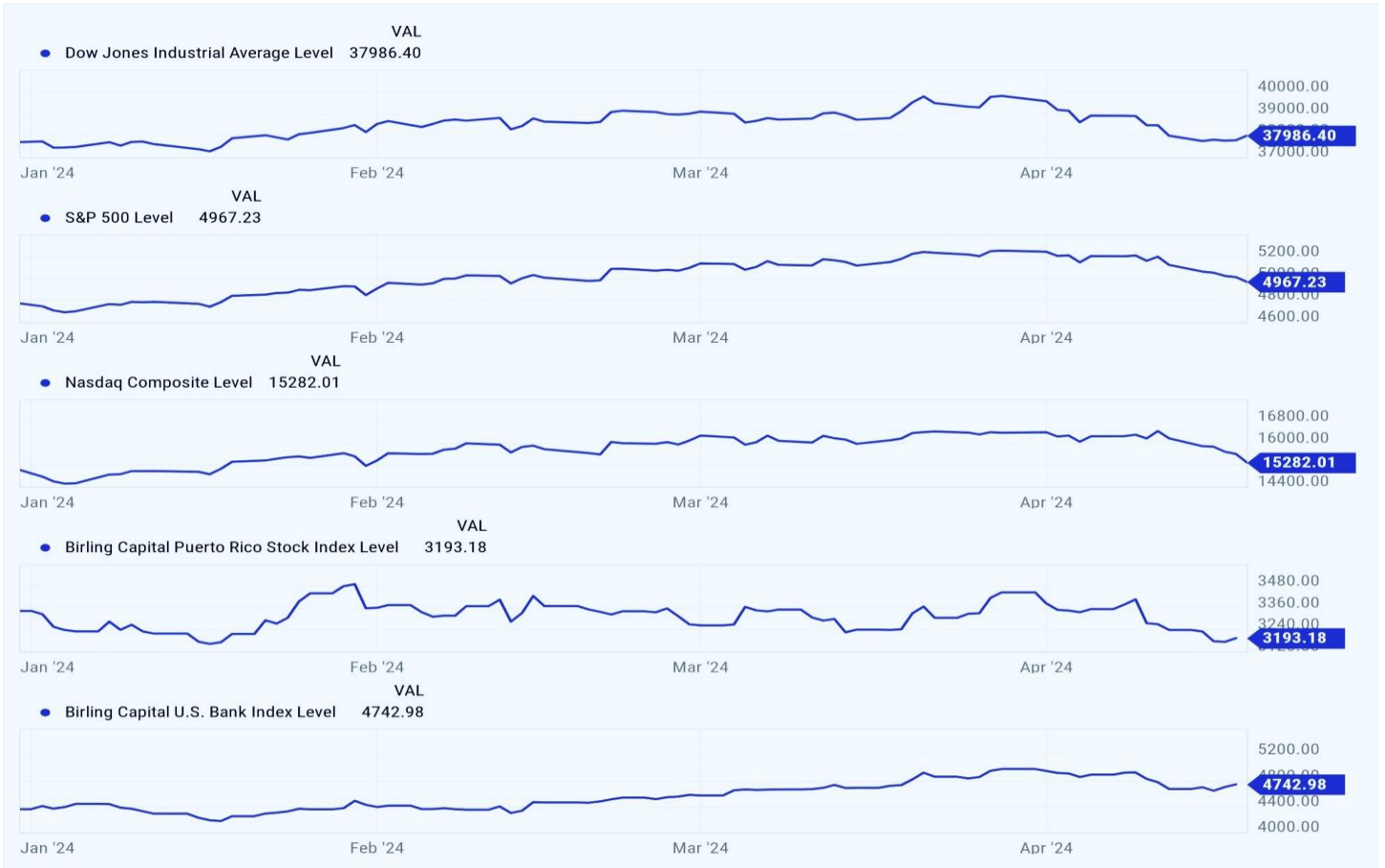
The Economic Cycle





Wall Street Recap

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