

# GLOBAL MARKET SQUARE



## Global Stocks Rally as Markets Stabilize After Volatile Week Corporate Earnings Parade in full swing, and Wall Street Rises.

April 22, 2024

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The U.S. and European stock markets began the week with gains following a challenging week that saw the S&P 500 lose 3%. The markets stabilized domestically and abroad on Monday, with European and Asian markets showing gains. Bond yields remain unchanged, closing at 4.62% for the 10-year rate, slightly below recent highs. Gold and oil prices are down at the start of the week, with gold likely retreating as risk appetite improves and oil responds to the absence of escalation in the Middle East conflict.

The Corporate Earnings Parade is in full swing, with increased attention in the days ahead as Popular, Inc., Firstbank, JetBlue, UPS, Tesla, Hilton, Alphabet (Google), Microsoft, and Meta, among many others, are due to announce quarterly results between Tuesday and Thursday. Expectations remain high, but a cautious sentiment emerges ahead of these earnings releases. We expect the broader earnings landscape to be a significant driver of market performance for the remainder of 2024.

Economic data is relatively light today, but activity will increase as the week progresses. We're currently between employment and CPI inflation reports, and Federal Reserve officials are in a blackout period for public commentary until the following rate announcement on May 1. However, markets will interpret incoming data regarding its implications for economic growth and Fed policy moving forward. Tuesday will bring the latest PMI manufacturing and services surveys, followed by the first look at first-quarter GDP on Thursday. However, the week's highlight will be Friday's release of the March Personal Consumption Expenditures (PCE) inflation data, which is the Fed's preferred measure of inflation. The PCE's latest inflation nowcasting has the PCE at 2.65% and the Core PCE at 2.74% and is expected to show a slightly more favorable trend in inflation, which would be a welcome sign given recent CPI reports indicating a potential stall in inflation improvement. Friday's PCE report will likely influence market direction as we navigate between the sharp rally of recent months and the recent pullback.

### Corporate Earnings Parade:

- **Truist Financial Corp (TFC):** reported 1Q24 revenues of \$4.871 billion, down 8.76%, missing the estimate, and Net Income of \$1.091 million, up 22.62%. Truist reached earnings per share of \$0.90 with a price objective of \$42.16. The Stock Closed at \$38.06, rising \$1.25 or 3.42%. Truist Financial faces challenges in its credit quality and revenue outlook for the year. Truist is finalizing a deal to sell its remaining stake in Truist Insurance Holdings to a consortium led by Stone Point Capital and Clayton Dubilier & Rice for \$15.5 billion.

### Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.751, up from \$3.712 last week, increasing 1.05%.
- **Canada New Housing Price Index YoY:** is unchanged at -0.40%, compared to -0.40% last month.

- **Eurozone Economic Sentiment Indicator:** rose to 96.30, up from 95.50 last month, increasing 0.84%.
- **Eurozone Consumer Confidence Indicator:** It is at -14.90, up from -15.50 last month.

#### Eurozone Summary:

- **Stoxx 600:** closed at 502.31, up 3.02 points or 0.60%.
- **FTSE 100:** closed at 8,023.87, up 128.02 points or 1.62%.
- **Dax Index:** closed at 17,860.80, up 123.04 points or 0.70%.

#### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,239.98, up 253.58 points or 0.67%.
- **S&P 500** closed at 5,010.60, up 43.51 points or 0.87%.
- **Nasdaq Composite** closed at 15,451.31, up 169.29 points or 1.11%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,274.50, up 80.50 points or 2.52%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,827.35, up 84.37 points or 1.78%.
- **U.S. Treasury 10-year note** closed at 4.62%.
- **U.S. Treasury 2-year note** closed at 4.97%.



## Inflation Nowcasting

**Inflation Nowcasting**

**Updated**

**Mar-24**

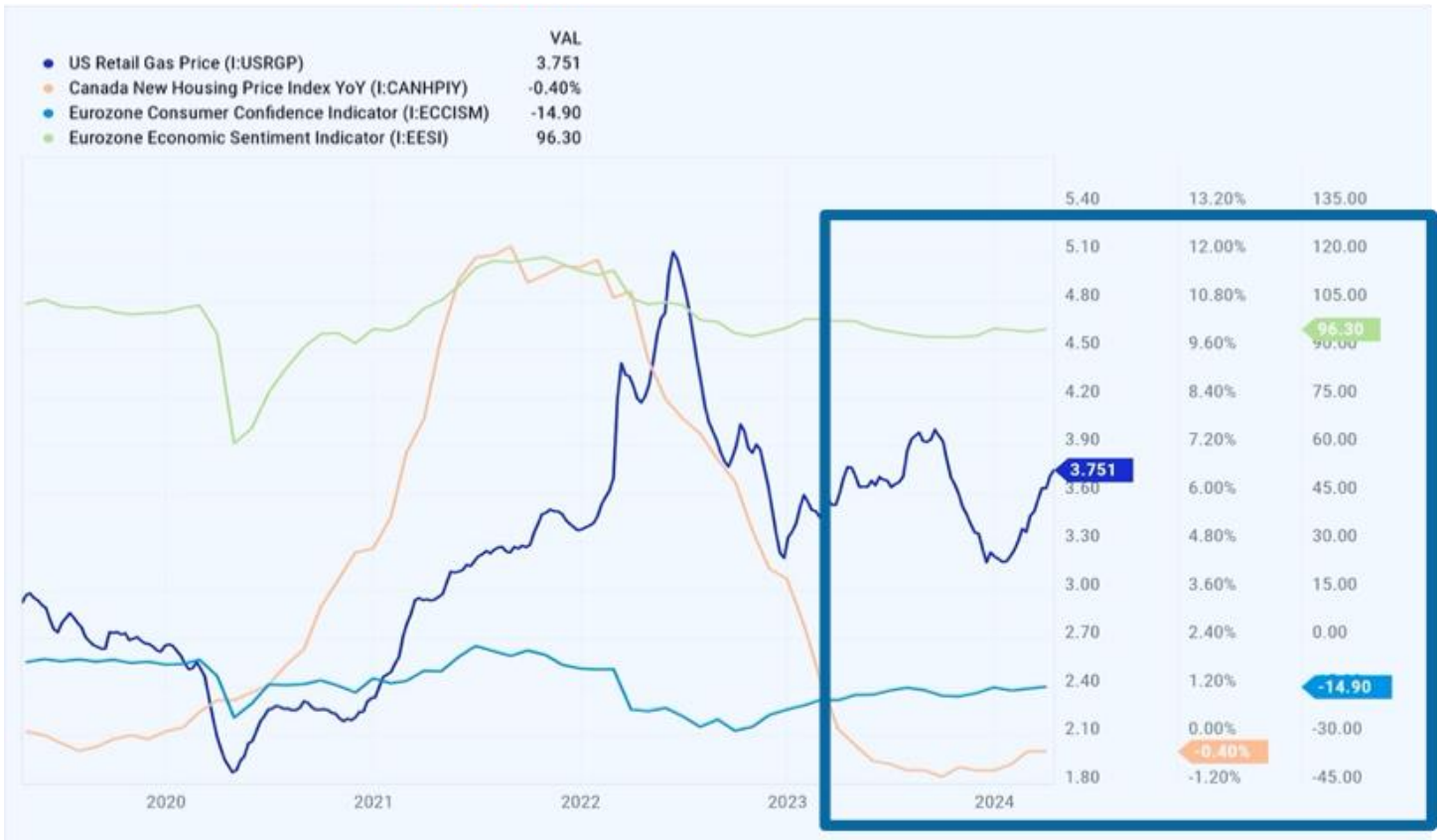
**PCE  
Forecast  
2.65%**

**Core PCE  
Forecast  
2.74%**

**4/22/24**



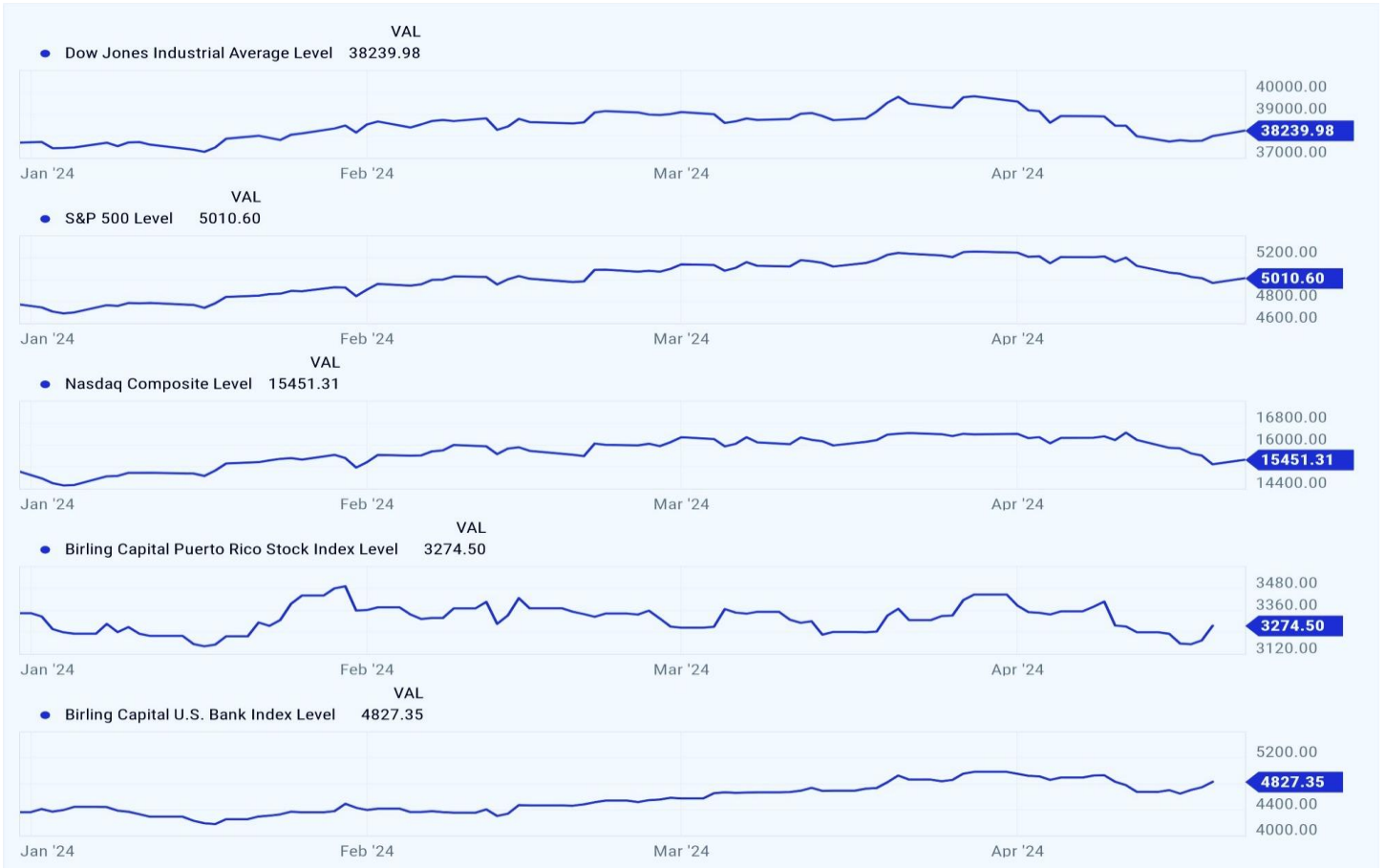
# US Retail Gas Price, Canada New Housing Price Index, Eurozone Consumer Confidence Indicator and Eurozone Economic Sentiment Indicator





# Wall Street Recap

## April 22, 2024



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