

Strong 1Q24 Earnings from Popular, Inc. and First Ban Corp. Take Center Stage and Wall Street Rises.

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The U.S. and European stock markets shot up, supported by a blend of corporate earnings and economic growth dynamics that took center stage.

The favorable response from U.S. markets to a softer-than-expected S&P Global Purchasing Managers' Index (PMI) reading underscores the nuanced optimism prevailing. While indicating a moderated expansion in April, this data hints at potential relief from inflationary pressures, potentially paving the way for Federal Reserve rate adjustments. Treasury yields have reacted modestly, with the 10-year yield closing at 4.61% while the 2-year yield at 4.86%.

Meanwhile, oil prices continue their downward trend in commodities, lingering below \$82 per barrel, poised for their sixth decline in the past seven days.

The Corporate Earnings Parade took center stage with local favorites Popular, Inc. and First Bancorp., delivering strong 1Q24 earnings. We also must mention that when revising the Puerto Rico Banks' Tier 1 Capital to that of the Top 6 US Banks. The Puerto Rico banks are second, fourth, and sixth among these titans; see below.

Bank	Tier 1 Capital
1. Morgan Stanly	17.20%
2. Popular, Inc.	16.42%
3. JP Morgan Chase	16.40%
4. FirstBank PR	15.90%
5. Citigroup	15.31%
6. Oriental	14.45%
7. Bank of America	13.60%
8. Goldman Sachs	11.20%
9. Wells Fargo	11.20%

Other notables reporting includes Spotify, which rose 11.48%; UPS, which rose 2.43%; and GE Aerospace, which rose 8.30% after delivering strong first-quarter earnings; on the other hand, PepsiCo's stock value slightly dipped north of 2.91%.

Projections anticipate a modest uptick in year-over-year earnings growth for the S&P 500, contrasting the stagnant growth observed in 2023. Sustained equity-market strength hinges significantly on robust corporate profit expansion throughout the year.

Internationally, signs of economic rejuvenation surface, with the preliminary April S&P Global PMI reflecting firming growth across regions. Eurozone and U.K. composite PMI readings mark 11-month highs, propelled by a resilient services sector, while Japan's composite PMI climbs to its highest since

August 2023. While U.S. economic prowess is expected to persist in 2024, international economies are poised for recovery, offering compelling investment opportunities. Developed international stocks, trading at a notable discount to their U.S. counterparts and boasting attractive dividend yields, warrant a neutral allocation in a well-diversified portfolio strategy.

Corporate Earnings Parade:

- **Popular Inc (BPOP)** reported 1Q24 revenues of \$894,141 million, up 20.98%, beating the estimate, and Net Income of \$103,283 million, down 35.03%, when adjusted for specific one-time charges, resulted in an adjusted net income of \$135.2 million, surpassing analyst's net income estimate of \$134.03 million. Popular reached earnings per share of \$1.43 with a price objective of \$101.11 and reached a Tier 1 Capital of 16.42%. The Stock Closed at \$87.88, rising \$2.63 or 3.09%.
- **First Ban Corp (FBP)** reported 1Q24 Revenues of \$230.5 million, down 1.24%, and a Net Income of \$73.5 million. It reached earnings per share of \$0.44 with a price objective of \$19.40 and reached a Tier 1 Capital of 15.90%. The Stock Closed at \$17.02, falling \$0.08 or 0.46%.

Key Economic Data:

- **U.S. New Single-Family Houses Sold:** rose to 693,000, up from 637,000 last month, increasing 8.79%.
- **Richmond Fed Manufacturing Index:** is at -7.00, up from -11.00 last month.
- **China Exports YoY:** fell by 7.54%, compared to 5.53% last month.
- **China Imports YoY:** is at -1.91%, compared to -8.17% last month.
- **China Trade Balance:** rose to 58.55 billion, up from 39.62 billion last month, increasing 47.80%.

Eurozone Summary:

- **Stoxx 600:** closed at 507.79, up 8.48 points or 1.09%.
- **FTSE 100:** closed at 8,044.81, up 30.94 points or 0.26%.
- **Dax Index:** closed at 18,137.65, up 276.85 points or 1.55%.

Wall Street Summary:

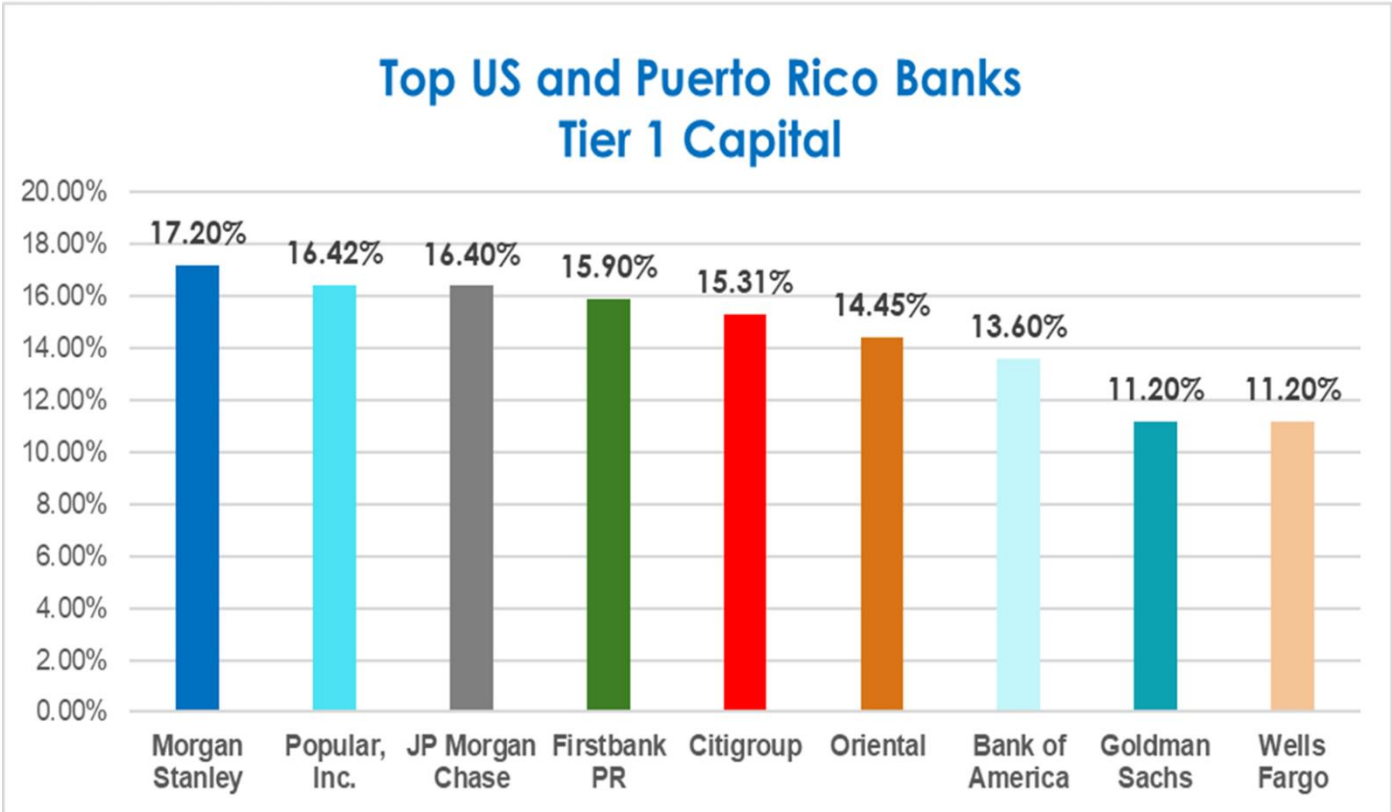
- **Dow Jones Industrial Average** closed at 38,509.69, up 263.71 points or 0.69%.
- **S&P 500** closed at 5,070.55, up 59.95 points or 1.20%.
- **Nasdaq Composite** closed at 15,696.34, up 245.34 points or 1.59%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,340.71, up 65.28 points or 1.99%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,932.69, up 105.34 points or 2.18%.
- **U.S. Treasury 10-year note** closed at 4.61%.
- **U.S. Treasury 2-year note** closed at 4.86%.



Top Banks Tier 1 Capital Ratios

1Q24

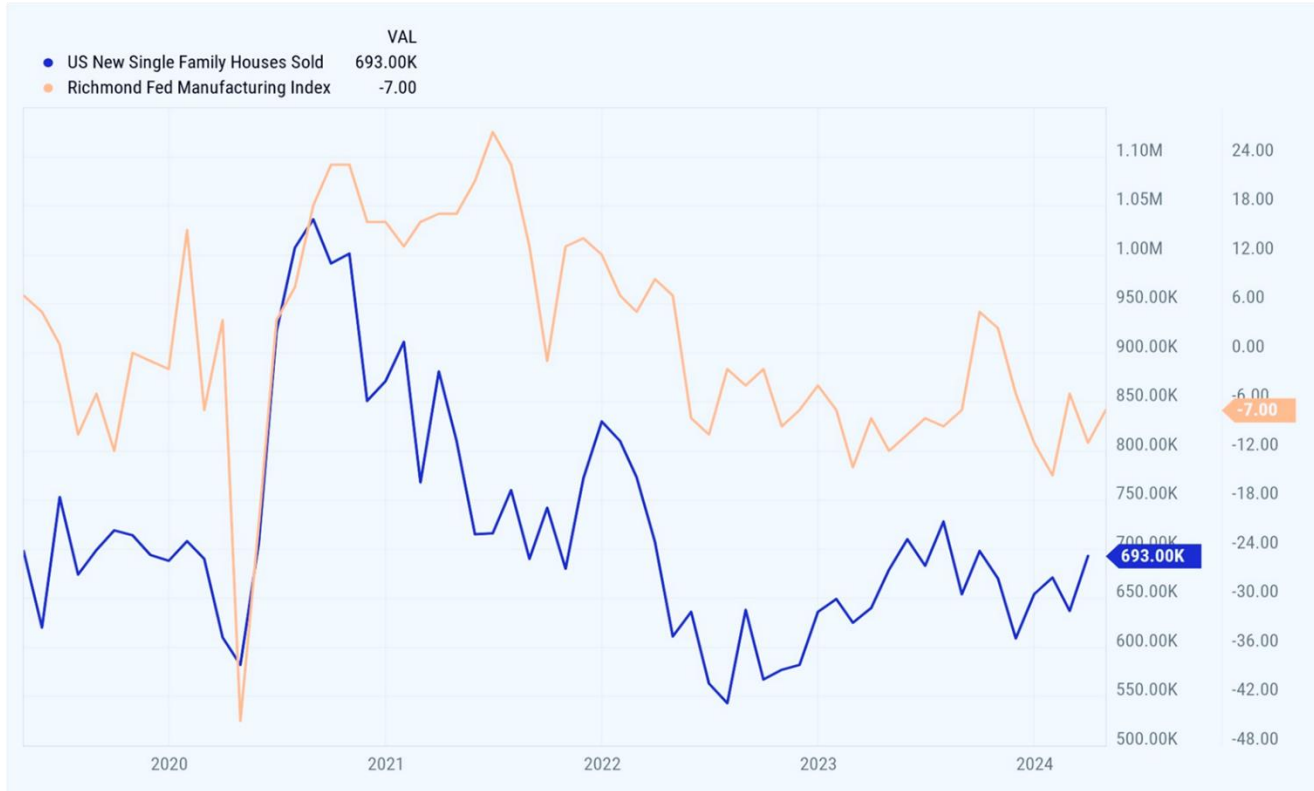
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US New Single-Family Houses Sold & Richmond Fed Manufacturing Index

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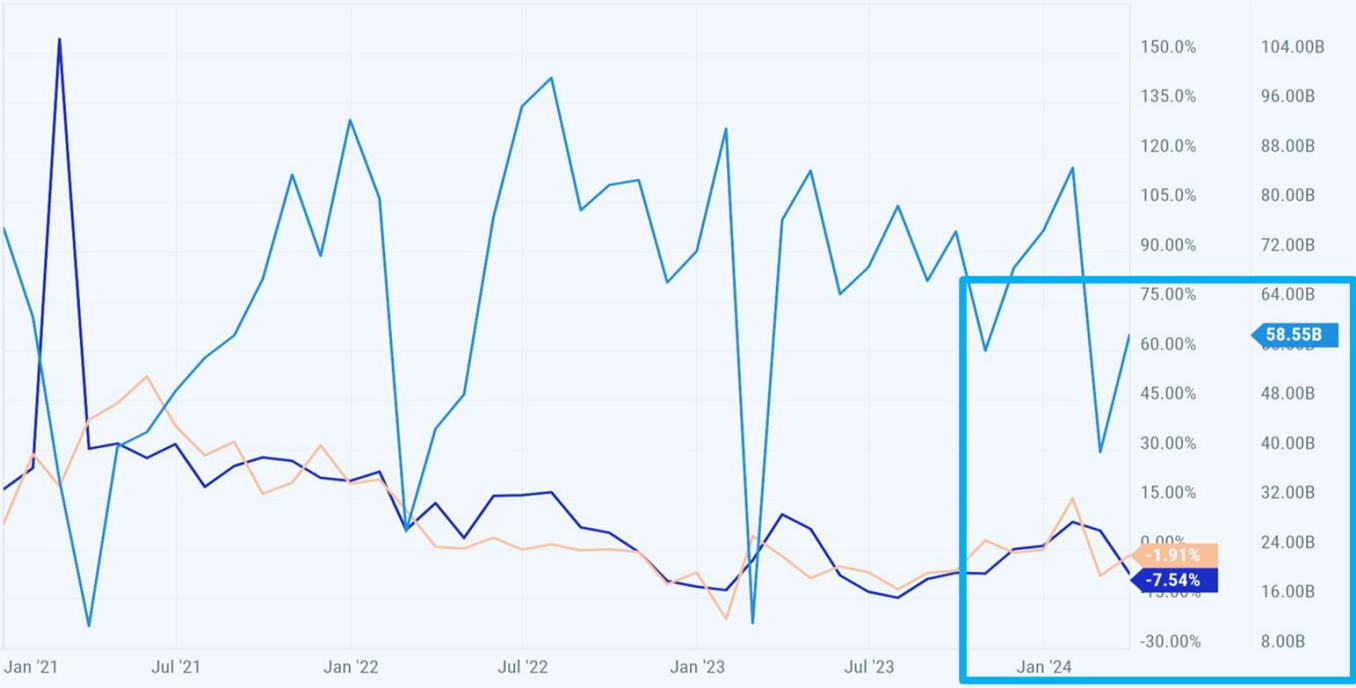




China Exports, China Imports & China Trade Balance

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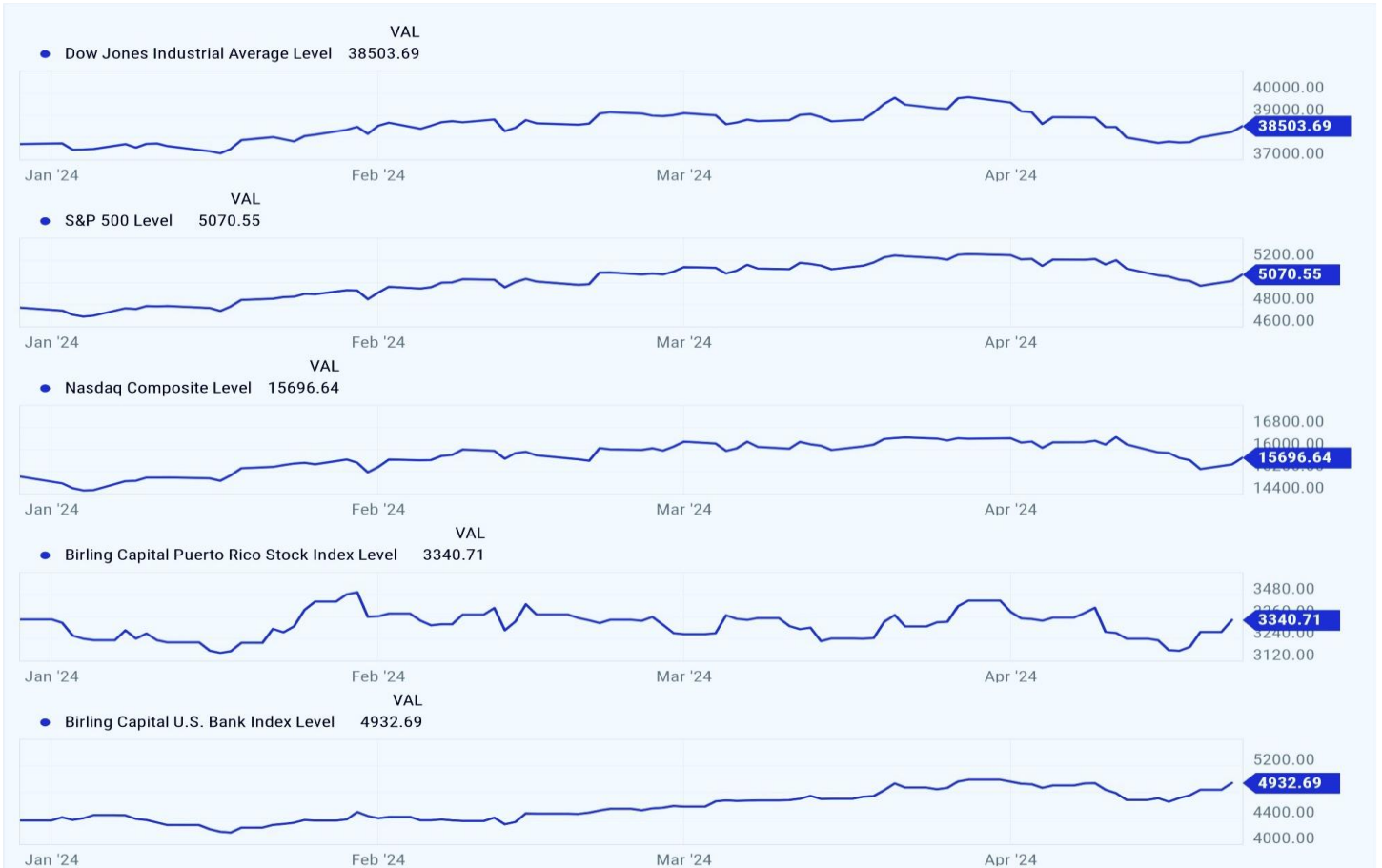
- China Exports YoY -7.54%
- China Imports YoY -1.91%
- China Trade Balance 58.55B





Wall Street Recap

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