

GLOBAL MARKET SQUARE



Popular & Oriental Report Solid 1Q25 Earnings, Markets Surge as President Trump Backtracks of Comments on Fed Stability and Tariffs, and Global Growth Take Center Stage.

April 23, 2025

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed with gains as markets extended their rally following Tuesday's strong performance. Both Investors and Markets are responding positively to a pair of key developments. First, President Donald Trump signaled that Federal Reserve Chair Jerome Powell will remain in his role through the end of his term in 2026, easing fears over potential political interference in monetary policy. Second, reports indicate that the administration is considering significant reductions to tariffs on Chinese imports, bolstering investor sentiment further.

Growth-oriented sectors such as technology and consumer discretionary are advancing early in the session, while more defensive groups—like consumer staples and the energy sector—are trailing. Still, the broader market is off to a solid start, with most sectors opening flat to modestly higher.

Global Markets and Economic Signals

Overseas markets are also showing strength. Asian equities closed mostly higher, and European markets are also trending upward. On the data front, new readings from the April S&P Global PMI series point to continued, though moderating, global economic activity.

In the U.S., the composite PMI slipped to 51.2 in April from 53.5 in March—still in expansionary territory but suggesting that growth is slowing. Meanwhile, Europe's economic momentum appears to have stalled, with the eurozone composite PMI registering at 50.1, its weakest reading since December.

Notably, the eurozone's future output index fell to 54.3, a multi-year low, hinting at growing unease among businesses amid ongoing trade policy uncertainty.

If the current U.S. tariff regime remains in place, it may exert downward pressure on global growth. However, should diplomatic efforts lead to a thaw in U.S.-China trade tensions, a meaningful rollback of tariffs could emerge, potentially reviving global business confidence and economic activity.

Corporate Earnings: Spotlight on the Magnificent 7

Investors are also zeroed in on first-quarter earnings results. Roughly 20% of S&P 500 companies are reporting this week, with Tesla kicking off the earnings season for the Magnificent Seven. While the company missed expectations on both revenue and profits, it reaffirmed its product pipeline, including a budget-friendly model and the anticipated "Cybercab"—news that supported the stock in early trading.

Next in line is Alphabet, which will release its results after Thursday's close. Overall, S&P 500 earnings are projected to grow approximately 7% this quarter—a downward revision from earlier forecasts of 11%, but still a healthy pace. Information technology and health care are leading expected growth, while sectors like energy and materials face weaker outlooks.

Looking ahead to the whole year, consensus forecasts point to earnings growth of 9.6%. While this figure may prove optimistic if tariffs continue to compress profit margins, the ongoing 90-day pause

on the April 2 tariff hike offers a potential off-ramp for negotiations. A move toward lower effective tariff rates, combined with possible pro-growth initiatives—such as corporate tax reform or deregulation—could reinforce corporate profitability through the remainder of 2025.

Corporate Earnings Parade:

- **Popular, Inc. (BPOP):** reported 1Q25 revenues of \$916,998 million, up 2.56%, net income of \$177,502 million, up 71.85%, and earnings per share of \$2.56, surpassing estimates. Popular has a Tier 1 Capital Ratio of 16.11% and a stock price objective of \$112.22, and its stock closed today at \$94.79, up \$5.31.
- View our report on Popular here: [BPOP pdf report 2025-04-23-20-05.pdf](#)
- **OFG Bancorp (OFG):** reported 1Q25 revenues of \$178.3 million, up 2.35%, net income of \$45,572 million, down 8.29%, and earnings per share of \$1.00, missing estimates. OFG has a Tier 1 Capital Ratio of 14.27% and a stock price objective of \$48.12 and its stock closed at \$36.79, up \$0.44.
- View our report on Oriental here: [OFG pdf report 2025-04-23-20-14.pdf](#)

Economic Update:

- **U.S. New Single-Family Houses Sold:** rose to 724,000, up from 674,000 last month, increasing 7.42%.
- **Canada New Housing Price Index YoY:** is unchanged 0.08%, compared to 0.08% last month.
- **China Exports YoY:** fell to 12.75%, compared to 21.74% last month.
- **China Imports YoY:** fell to -4.41%, compared to 2.09% last month.
- **China Trade Balance:** rose to 102.64 billion, up from 85.26 billion last month, increasing 20.38%.

Eurozone Summary:

- **Stoxx 600:** Closed at 516.77, up 9.06 points or 1.78%.
- **FTSE 100:** Closed at 8,403.18, up 74.58 or 0.90%.
- **DAX Index:** Closed at 21,961.97, up 668.44 or 3.14%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 39,606.57, up 419.59 points or 1.07%.
- **S&P 500:** closed at 5,375.86, up 88.10 points or 1.67%.
- **Nasdaq Composite:** closed at 16,708.05, up 407.63 points or 2.50%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,447.01, up 105.54 points or 3.16%.
- **Birling Capital U.S. Bank Index:** closed at 5,786.86, up 192.55 points or 3.44%.
- **U.S. Treasury 10-year note:** closed at 4.40%.
- **U.S. Treasury 2-year note:** closed at 3.81%.



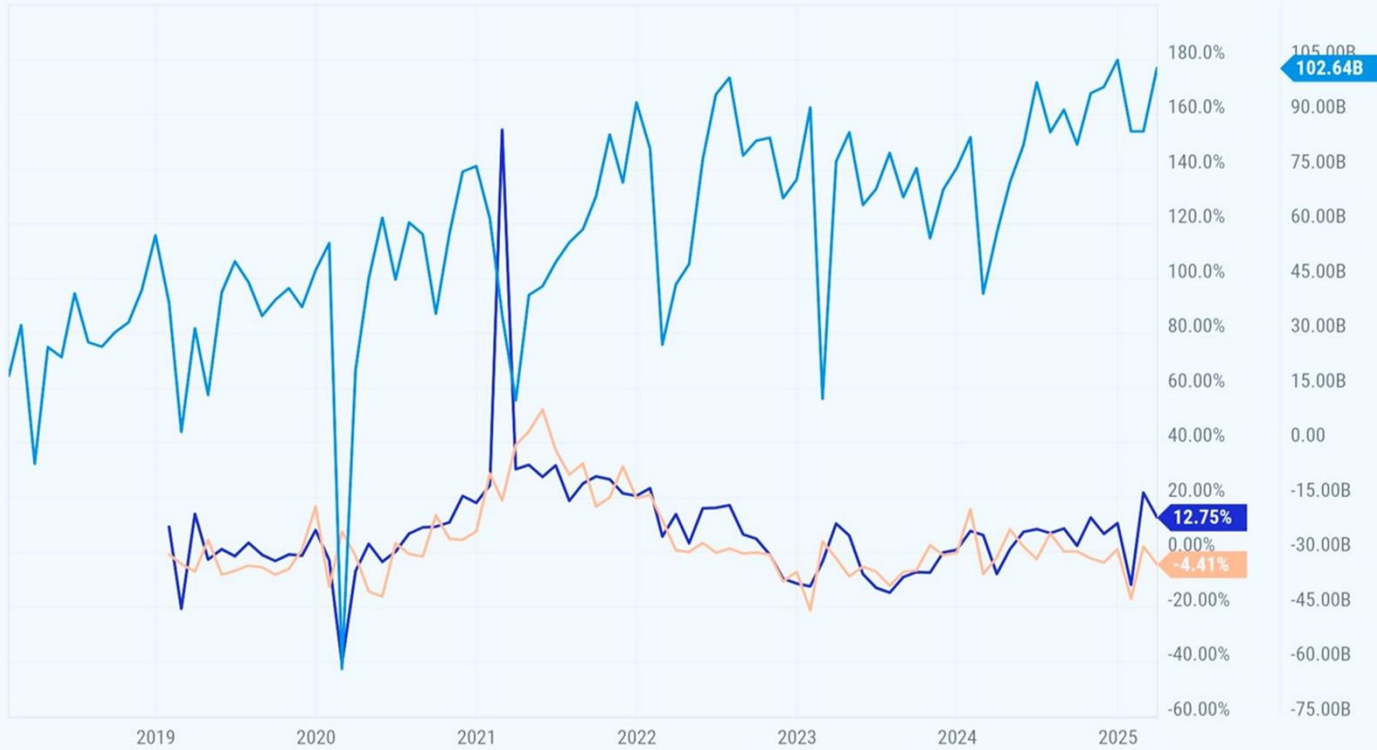
US New Single-Family House Sold & Canada New Housing Price Index

www.birlingcapital.com



China Exports, China Imports & China Trade Balance

- China Exports YoY (I:CEYY) VAL 12.75%
- China Imports YoY (I:CIYY) -4.41%
- China Trade Balance (I:CTBNM) 102.64B





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.