

# Global Stocks Fell Amid Interest Rate Fears Despite Strong Earnings, Tech Titans on Deck and Wall Street Closes Mixed.

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The U.S. and European stock markets closed mixed today despite a robust rise in corporate earnings that should have driven markets up. Concerns over high-interest rates for longer have taken precedence, overshadowing the positive momentum in the market.

Tesla's (TSLA) shares leaped 12.08% following its first-quarter 2024 results, which reported revenue of \$21.3 billion, down 8.7% YoY. EPS came in at \$0.45, compared to \$0.85 in the year-ago. The company announced a push to expedite the release of more affordable vehicles, which fueled the Stock, but challenges remain about Tesla's future. On the other hand, Meta reported after the market closed its earnings which were better than expected, with Earnings per share coming in at \$4.71, surpassing Revenues of \$36.46 billion, exceeding estimates, and Net income more than doubled, soaring to \$12.37 billion. However, it suffered a substantial drop in share value, plummeting by over 11% during after-hours trading on Wednesday. The company's forward-looking guidance fell short of investor expectations, casting a shadow despite the company's robust performance in the first quarter.

This week marks the pinnacle of the earnings season, with approximately one-third of S&P 500 companies disclosing their earnings, encompassing 40% of the index's market capitalization. Encouragingly, 80% of these companies have exceeded earnings forecasts by an average of 8.5%.

Investors eagerly await U.S. GDP and inflation data later in the week, which will provide insights into the Federal Reserve's policy outlook. The resilient growth and gradual inflation have postponed expectations for Fed rate cuts, with markets now forecasting fewer than two cuts for the year. The latest GDPNow projects first-quarter GDP growth at a 2.7% rate, below the fourth quarter's 3.4% pace. 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.

## Corporate Earnings Parade:

- **Boeing Co (BA)** reported 1Q24 revenues of \$16.569 billion, down 8%, and Net Loss of (\$355 million) narrower than expected. Boeing reached a Loss per share of (\$1.13) ahead of the estimates of (\$1.43) with a price objective of \$232.32. The Stock Closed at \$164.37, down \$4.81 or 2.84%.
- **Hilton Worldwide Holdings Inc (HLT)** reported 1Q24 revenues of \$2.573 billion, up 12.21%, and Net Income of \$265 million, up 28.64%, and Earnings per share of \$1.04 below estimates of \$1.41 with a price objective of \$213.04. The Stock Closed at \$204.62, up \$7.58 or 3.85%.

## Key Economic Data:

- **U.S. Durable Goods New Orders MoM:** rose to 2.65%, compared to 0.70% last month.
- **Germany Ifo Business Climate Index:** rose to 89.40, up from 87.90 last month, rising 1.71%.

- **Germany Ifo Business Expectations Index:** rose to 89.90, up from 87.70 last month, increasing 2.51%.
- **Germany Ifo Business Situation Index:** rose to 88.90, up from 88.10 last month, increasing 0.91%.

#### Eurozone Summary:

- **Stoxx 600:** closed at 505.61, down 2.18 points or 0.43%.
- **FTSE 100:** closed at 8,040.38, down 4.43 points or 0.06%.
- **Dax Index:** closed at 18,080.70, down 48.95 points or 0.27%.

#### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,460.92, down 42.77 points or 0.11%.
- **S&P 500** closed at 5,070.55, up 1.08 points or 0.02%.
- **Nasdaq Composite** closed at 15,712.75, up 16.11 points or 0.10%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,386.36, up 46.58 points or 1.39%.
- **Birling Capital U.S. Bank Stock Index** closed at 5,006.32, up 73.63 points or 1.49%.
- **U.S. Treasury 10-year note** closed at 4.65%.
- **U.S. Treasury 2-year note** closed at 4.89%.



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## Atlanta Fed GDPNow Update

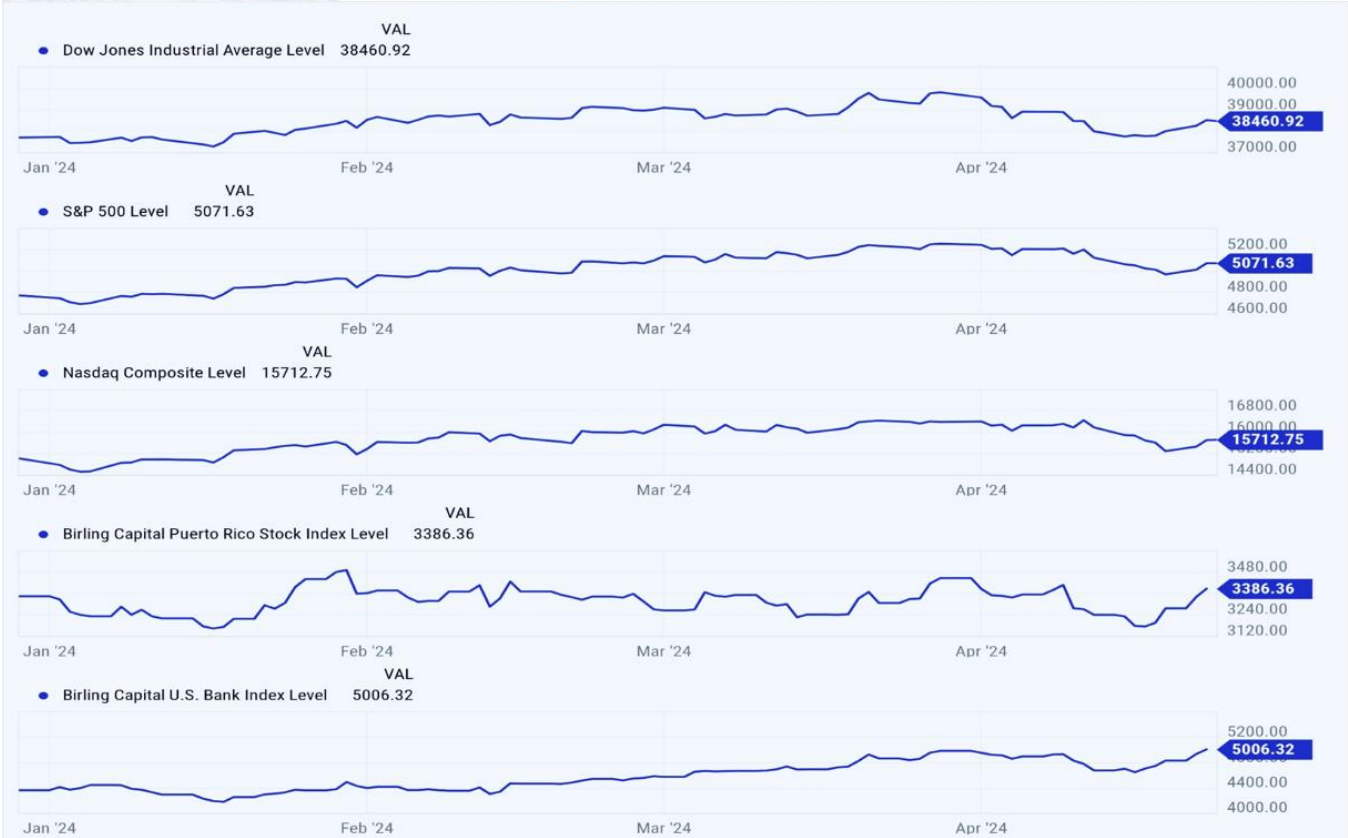
Date	GDPNow 1Q24	Change
1/26/2024	3.00%	Initial Forecast
2/8/2024	3.40%	13.33%
2/16/2024	2.90%	-14.71%
2/29/2024	3.00%	3.45%
3/1/2024	2.10%	-30.00%
3/6/2024	2.50%	19.05%
3/7/2024	2.50%	0.00%
3/14/2024	2.30%	-8.00%
3/19/2024	2.10%	-8.70%
3/29/2024	2.30%	9.52%
4/1/2024	2.80%	21.74%
4/4/2024	2.50%	-10.71%
4/10/2024	2.40%	-4.00%
4/16/2024	2.90%	20.83%
4/24/2024	2.70%	-6.90%



# Wall Street Recap

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