

Walmart and The Home Depot report strong earnings but provide a weaker than expected guidance for 2023, and Wall Street plummets.

February 21, 2023

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The U.S. and European stock markets began the holiday-shortened week with increased pessimism as it continues to believe that the Fed has no option but to raise rates faster, so we shall see again 50 to 75 basis points increases to curb inflation; however, the cost to investors is growing volatility as we are seeing today.

Considering all these issues, the bond market has risen, with the U.S. Treasury's 2-year note closing at 4.67% and the 10-year note closing at 3.95%.

The Quarterly and Full Year's results from two retail sector giants were today's main attraction, as Walmart and The Home Depot reported. Both companies delivered solid earnings for the fourth quarter, but both expect a much weaker outlook for 2023, and that guidance has captured the investor's worst fears.

Corporate Earnings Parade:

- **Walmart Inc (WMT):** reported its 4Q23 results with revenues of \$164.0 billion, up 7.3%, and net income of \$5.6 billion, down -5.5%, beating estimates. The full-year results were revenues of \$611.3 billion, up 6.7%, and Net Income of \$20.5 billion, down -5.5%. The stock closed at \$147.40, up \$0.96, with a stock price target of \$160.49.
- **The Home Depot Inc (HD):** reported its 4Q23 results with revenues of \$35.831 billion, up 0.3%, and net income of \$3.362 billion, up 0.3%, missing revenue estimates and beating net income estimates. The full-year results were revenues of \$157.403 billion, up 4%, and Net Income of \$17.105 billion, up 4%. The stock closed at \$295.45, down \$22.50, with a price target of \$341.03.

Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.502, down from \$3.552 last week, decreasing -1.41%.
- **U.S. Existing Home Sales:** fell to 4.00 million, down from 4.03 million last month, declining -0.74%.
- **Canada Consumer Price Index YoY:** fell to 6.32%, compared to 6.80% last month.
- **Canada Inflation Rate:** fell to 6.32%, compared to 6.80% last month.
- **ZEW Indicator of Economic Sentiment for Germany:** rose to 28.10, up from 16.90 last month, increasing 66.27%.

Puerto Rico COVID-19 Update February 21:

- Daily Cases: 94
- Positivity Rate: 13.77%

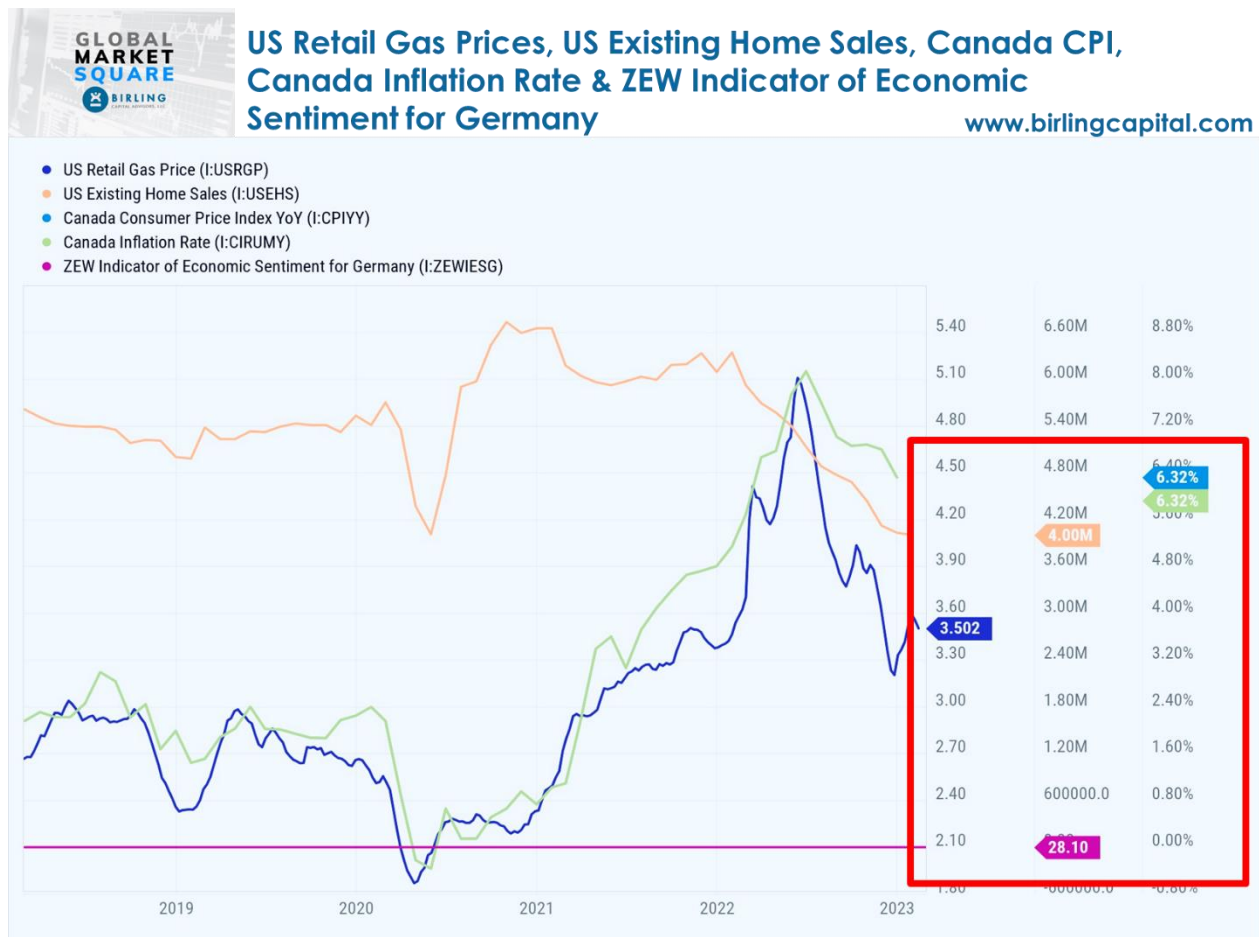
- Hospitalizations: 99
- Deaths: 3
- Source P.R. Department of Health.

Eurozone Summary for February 21:

- Stoxx 600 closed at 463.59, down 1.05 points or 0.23%.
- FTSE 100 closed at 7,977.75, down 36.56 points or 0.46%.
- Dax Index closed at 15,397.62, down 79.93 points or 0.52%.

Wall Street Summary for February 21:

- Dow Jones Industrial Average closed at 33,129.59, down 697.10 or 2.06%.
- S&P 500 closed at 3,997.34, down 81.75 points or 2.00%.
- Nasdaq Composite closed at 11,492.30, down 294.97 points or 2.50%.
- Birling Capital Puerto Rico Stock index closed at 2,782.57, up 38.03 points or 1.39%.
- U.S. Treasury 10-year note closed at 3.95%.
- U.S. Treasury 2-year note closed at 4.67%.





US Retail Gas Price has fallen by 30% since its peak in June 2022

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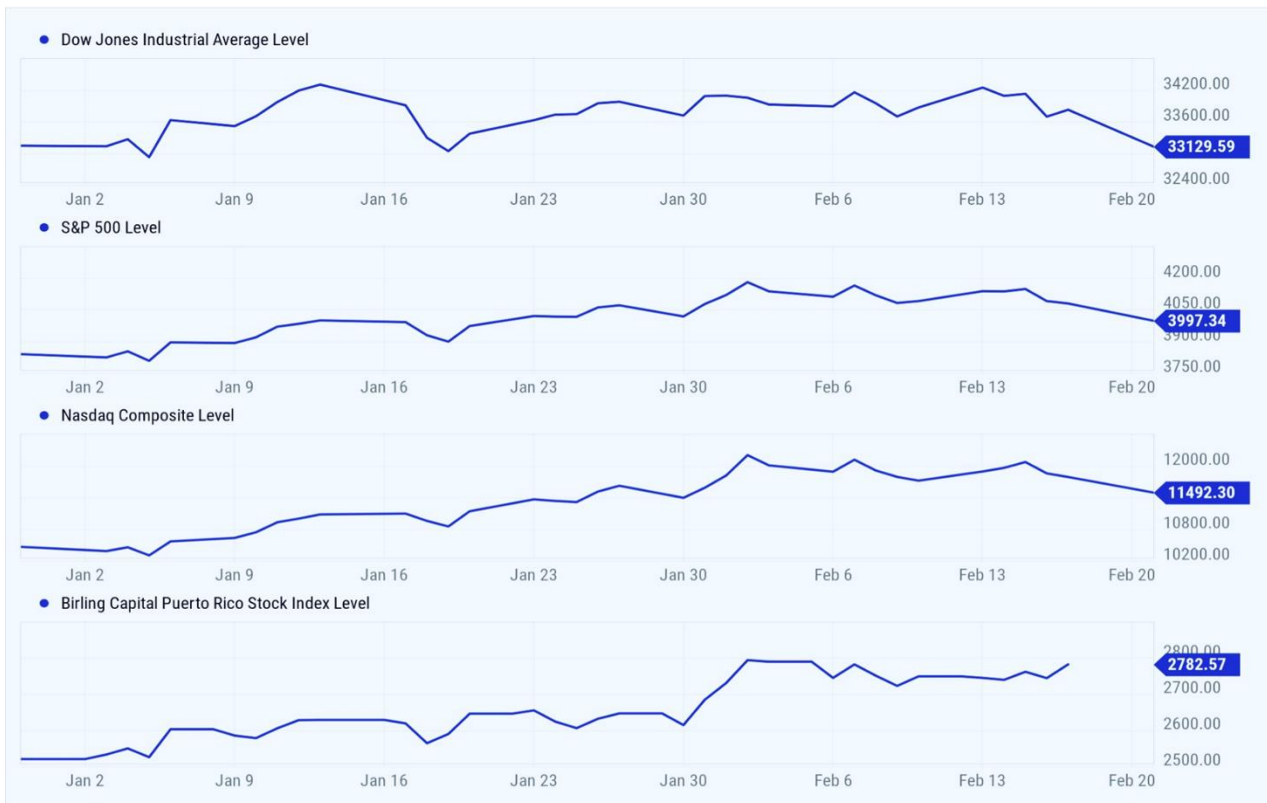
US Retail Gas Price (I:USRGP)





Wall Street Recap February 21, 2023

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