

## Disney surpassed earnings estimates with profits rising 11%, announced a significant restructuring plan to save \$5.5 billion, and closed Wall Street.

February 8, 2023

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets closed the session giving up some of the gains recorded yesterday, with most European indices closing with gains, while most Wall Street indices closed down.

Most international equities were higher, driven by solid gains from the European markets, which outperformed U.S. Stocks markets over the last several months.

Last night President Biden delivered his State of the Union address, the key takeaway was a defiant message to China warning their leaders that the U.S. will protect itself if China threatens its sovereignty; during the speech, President Biden stated, "I am committed to working with China where it can advance American interests and benefit the world, But make no mistake . . . if China threatens our sovereignty, we will act to protect our country".

In corporate news, The Walt Disney Co (DIS) reported its earnings after the market closed; in addition to its earnings, its CEO Bob Iger announced plans to prune 3% of the company's workforce of 7,000 jobs; the changes are part of a broad restructuring that includes reviving its creative engine while saving \$5.5bn over the next few years and make its streaming business profitable. Investors had expected Iger's new strategic plan to reinvigorate the company since his surprise reappointment in November.

### Corporate Earnings Parade:

- **The Walt Disney Company (DIS):** reported its first quarter 2023 earnings after the market closed with revenues of \$23.512 billion, up 8%, and net income of \$1.219 billion, up 11%, which surpassed estimates. The stock closed at \$111.89, up \$0.25 or 0.23%, but is soaring in aftermarket trading. The Stock Price Target is \$123.77.

### GDPNow Forecast:

- The GDPNow forecast for GDP growth for the 1Q23 was updated today at 2.20%, up from 2.10% on February 1 and up from 0.70% on January 27, which was the initial forecast.

### Key Economic Data:

- **U.S. Wholesale Inventories MoM:** fell to 0.06%, compared to 0.88% last month.
- **U.S. Crude Oil Stocks WoW:** fell to 2.423M, down from 4.14M last week, decreasing -41.47%.

### Puerto Rico COVID-19 Update February 8:

- Daily Cases: 99
- Positivity Rate: 13.74%
- Hospitalizations: 160
- Deaths: 5
- Source P.R. Department of Health.

### Eurozone Summary for February 8:

- Stoxx 600 closed at 459.06, up 12.70 points or 0.38%.
- FTSE 100 closed at 7,885.17, up 20.46 points or 0.26%.
- Dax Index closed at 15,412.45, up 91.17 points or 0.66%.

### Wall Street Summary for February 8:

- Dow Jones Industrial Average closed at 33,949.01, down 207.68 or 0.61%.
- S&P 500 closed at 4,117.86, down 46.14 points or 1.11%.
- Nasdaq Composite closed at 11,910.52, down 203.27 points or 1.68%.
- Birling Capital Puerto Rico Stock index closed at 2,782.45, up 37.23 points or 1.36%.
- U.S. Treasury 10-year note closed at 3.63%.
- U.S. Treasury 2-year note closed at 4.45%.



### GDPNow Update

Date	GDPNow 1Q23	Change
1/27/23	0.70%	Initial Forecast
2/1/23	2.10%	200.0%
2/8/23	2.20%	4.8%



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.