

The U.S. officially surpassed its debt limit of 31.4 trillion, Corporate earnings were mixed, and Wall Street closed with mixed results.

January 24, 2023

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the session mostly down except for the Dow Jones Industrial Average, which closed up. Investors have various issues impacting their sentiment, including concerns over a U.S. recession and Corporate Earnings. The main factor today has been the Corporate Earnings Earnings Parade that continues today with, among others, Microsoft, 3M, Texas Instruments, and General Electric with mixed results; more on the results below.

In the Eurozone, new developments provide investors with a much-needed lift. The data from Germany, France, and other E.U. members show much lower inflation than anticipated as energy prices continue trending down.

The energy crisis expected from Russian cutting off supplies of Oil and natural gas did not impact the E.U. as the nations were able to make adjustments.

The U.S. officially surpassed its debt limit of 31.4 trillion last Thursday, and the U.S. Treasury began "extraordinary measures," including suspending the sale of specific government securities, to ensure the U.S. meets its obligations. We do not see any hurry from House Republicans to address this issue.

Corporate Earnings Parade:

- **Microsoft (MSFT):** reported its second quarter 2023 earnings after the market closed with revenues of \$52.7 billion, up 2%, and net income of \$16.4 billion, up 12%, which beat estimates. The stock closed at \$242.00, down \$0.58 or 0.24%. The stock closed at \$242.00, down \$0.58 or 0.24%. The Stock Price Target is \$291.72.
- **3M (MMM):** reported its fourth quarter 2022 earnings with revenues of \$8.079 billion, down 6.16%, and net income of \$541.0 million, down 59.59%, which missed estimates. For the Full-year 2022, revenues reached \$34.229 billion, down 3.18%, and net income of \$5.777 billion, down 2.33%. The company will cut 2,500 employees and has a bearish sales forecast for 2023. The stock closed at \$115.13, down \$7.49 or 6.11%. The Stock Price Target is \$131.51.

Key Economic Data:

- **Richmond Fed Manufacturing Index:** fell to -11.00, down from 1.00 last month.

Puerto Rico COVID-19 Update January 24:

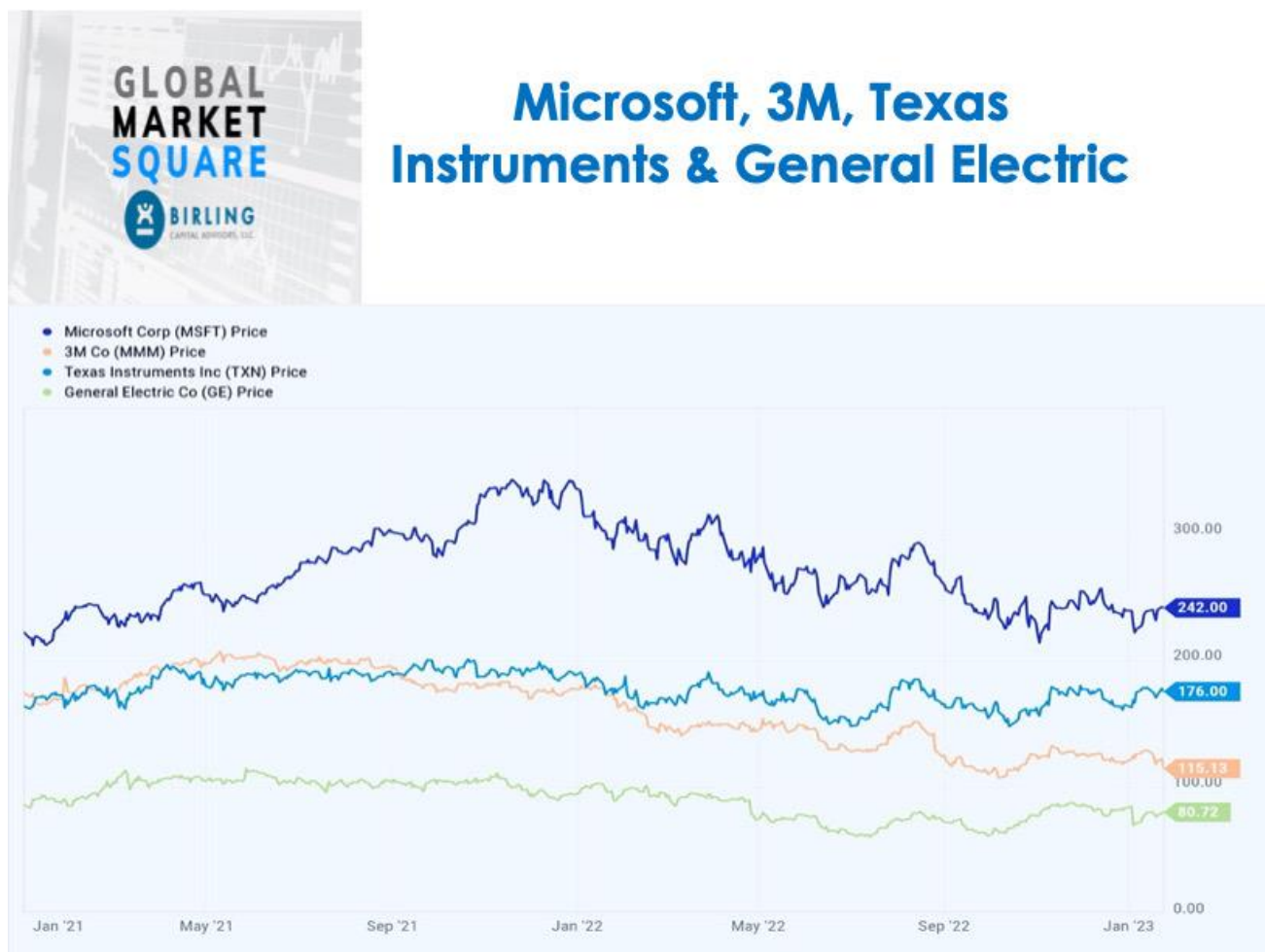
- Daily Cases: 163
- Positivity Rate: 20.56%
- Hospitalizations: 198
- Deaths: 11
- Source P.R. Department of Health.

Eurozone Summary for January 24:

- Stoxx 600 closed at 453.70, down 0.79 points or 0.17%.
- FTSE 100 closed at 7,757.36, down 27.31 points or 0.35%.
- Dax Index closed at 15,093.11, down 9.84 points or 0.065%.

Wall Street Summary for January 24:

- Dow Jones Industrial Average closed at 33,733.96, up 104.40 points or 0.31%.
- S&P 500 closed at 4,016.85, down 2.86 points or 0.07%.
- Nasdaq Composite closed at 11,334.27, down 30.14 points or 0.27%.
- Birling Capital Puerto Rico Stock index closed at 2,655.43, up 9.14 points or 0.35%.
- U.S. Treasury 10-year note closed at 3.46%.
- U.S. Treasury 2-year note closed at 4.12%.

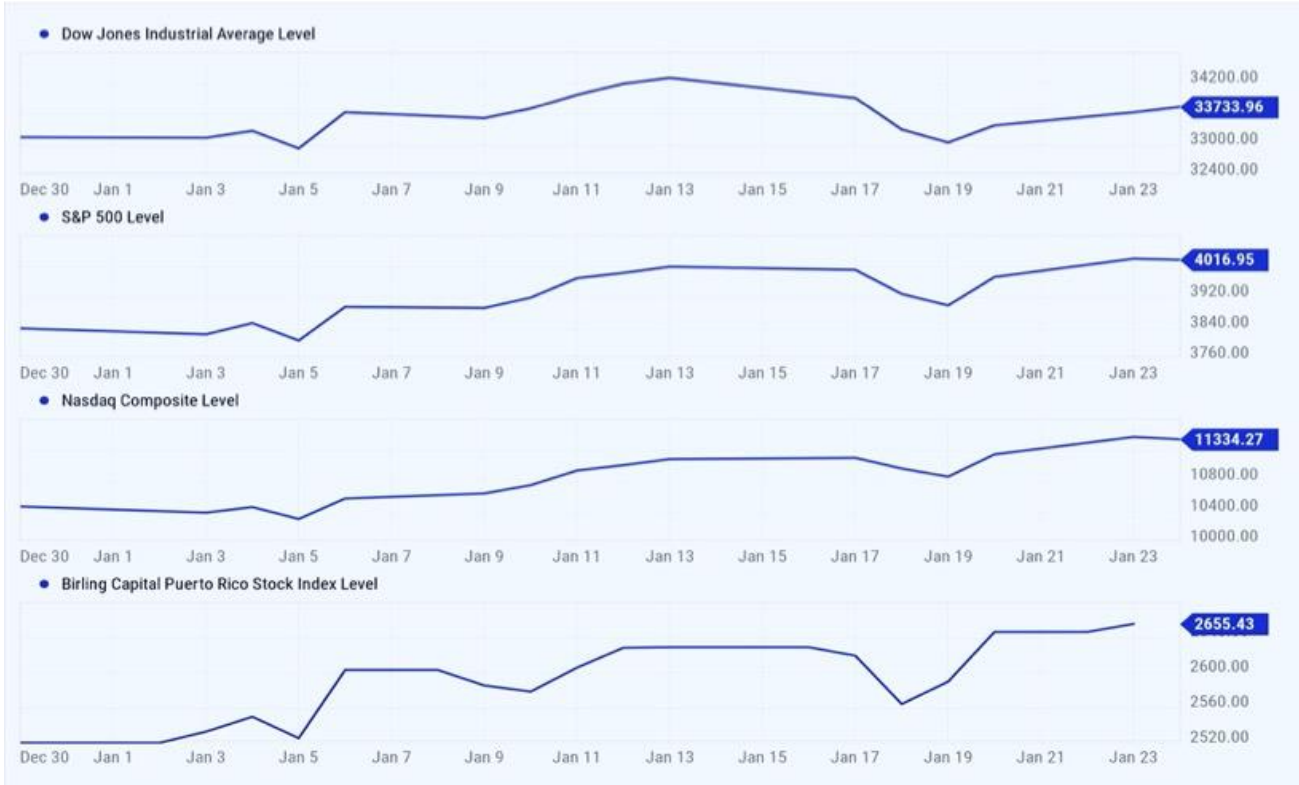




Wall Street Recap

January 24, 2023

www.birlingcapital.com





Wall Street YTD Returns

Dow Jones, S&P 500, Nasdaq Composite & Birling Puerto Rico Stock Index

www.birlingcapital.com



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.