

Microsoft beats estimates with revenues rising 20% to \$51.7 billion; Investors are on the fence watching the Fed meeting, and Wall Street closes down.

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The U.S. & European stock markets with asymmetrical results. In Europe, the markets rebounded, closing up; in the U.S., as the renewed concern over the Federal Reserve's tighter monetary policy and the broader impact interest rates will have on the economy has continued to rock the markets with volatility. As we have pointed to before, in our view, the Federal Reserve may have to advance rising interest rates as soon as March, not July, as indicated earlier. The key indexes suffered, with the biggest loser being the Nasdaq composite lost 315.83 points.

As volatility rises, the markets fall in a similar form, often promoting emotional selling reactions, the opposite of what you must do in such circumstances. Often our advice is to do nothing and wait until the market normalizes; these are the times when having a diversified portfolio protects these events.

Corporate News:

- Microsoft (MSFT): reported its 2Q22 earnings that beat estimates with total revenues of \$51.7 billion up 20% and net income of \$18.8 billion up 21%. The stock closed at \$288.74, down \$7.63 or 2.57%.

Puerto Rico COVID-19 Daily Update:

- New Cases: 1,045 average per day, falling 0.85%.
- Total Cases from 12/13/21 to 1/23/22: 95,708.
- Positivity Rate: 24.68%, down 12.56%.
- Puerto Rico Vaccination Rate: 82.3%
- Total Hospitalizations: 687, falling 1.29%.
- Deaths: 27, increasing 287.5%.
- Source: Puerto Rico Department of Health

Eurozone Summary for January 25:

- Stoxx 600 closed at 460.02, up 3.66 points or 0.80%.
- FTSE 100 closed at 7,371.46, up 74.31 or 1.02%.
- Dax Index closed at 15,123.87, up 112.74 points or 0.75%.

Wall Street summary for January 25:

- Dow Jones Industrial Average closed at 34,297.73, down 66.77 points or 0.19%.
- Standard & Poor's 500 closed at 4,356.45, down 53.68 or 1.22%.
- Nasdaq Composite Index closed at 13,539.30, down 315.83 points, or 2.28%.

- Birling Capital Puerto Rico Stock Index closed at 3,101.18, up 30.52 points, or 0.99%.
- The U.S. Treasury 10-year note closed at 1.78%.
- The U.S. Treasury 2-year note closed at 1.02%.



Wall Street January 25, 2022



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