

The International Monetary Fund upgraded its global growth projection for 2023 to 2.9%, Corporate earnings riser, and Wall Street closed higher.

January 31, 2023

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The U.S. & European stock markets closed the session with asymmetrical results, with investors watching the corporate earnings parade and its effects closely; moreover, today, the International Monetary Fund increased its 2023 projection which is a positive development; we discuss the specifics below.

For U.S. investors, corporate earnings are proving better than most anticipated; such was the case today with General Motors and McDonald's, which we highlight below. Economic data released today provides vital metrics for the Fed to evaluate before they end their FOMC meeting tomorrow, including the employment cost index, which fell to 1% below the 1.1% estimate.

The International Monetary Fund upgraded its Global growth projection for 2023 to 2.9%, an increase of 0.2% from the October forecast, and for 2024 has projected a rise of 3.1%.

Notably, the Eurozone economy grew in the final quarter of 2022 by 0.1% ahead of the forecasts that called for a -01. % Contraction, signaling that the Eurozone may avoid falling into a recession.

Corporate Earnings Parade:

- **General Motors (GM):** reported its fourth quarter 2022 earnings with revenues of \$43.1 billion, up 28.4%, and net income of \$2 billion, up 14.8%, which beat estimates. For the Full-year 2022, revenues reached \$155.735 billion, up 23.4%, and net income of \$9.934 billion, down 0.8%. The stock closed at \$39.31, up \$3.02 or 8.32%. The Stock Price Target is \$49.60.
- **McDonald's Corp (MCD):** reported its fourth quarter 2022 earnings with revenues of \$5.926 billion, down 1%, and net income of \$1.903 billion, up 16%, which beat estimates. For the Full-year 2022, revenues reached \$23.182 billion, up 6%, and net income of \$6.177 billion, down 18%. The stock closed at \$267.48, down \$3.42 or 1.26%. The Stock Price Target is \$292.41.

Key Economic Data:

- **Chicago PMI:** rose to 44.90, up from 37.20 last month, increasing 20.70%.
- **Case-Shiller Composite 20 Home Price Index YoY:** fell to 6.78%, compared to 8.66% last month.
- **Case-Shiller Home Price Index: National** fell to 298.11, down from 298.89 last month.
- **U.S. Employment Cost Index QoQ:** fell to 1.00%, compared to 1.20% last quarter.
- **Canada Real GDP MoM:** fell to 0.09%, compared to 0.15% last month.
- **Germany Consumer Price Index YoY:** fell to 8.60%, compared to 10.00% last month.
- **Germany Real Retail Sales YoY:** fell to -6.60%, compared to -4.90% last month.
- **Germany Unemployment Rate:** rose to 5.70%, compared to 5.40% last month.
- **Japan Housing Starts YoY:** fell to -1.67%, compared to -1.42% last month.

Puerto Rico COVID-19 Update January 31:

- Daily Cases: 177
- Positivity Rate: 18.45%
- Hospitalizations: 168
- Deaths: 11
- Source P.R. Department of Health.

Eurozone Summary for January 31:

- Stoxx 600 closed at 453.45, down 0.95 points or 0.21%.
- FTSE 100 closed at 7,771.70, down 13.17 points or 0.17%.
- Dax Index closed at 15,128.27, up 2.19 points or 0.014%.

Wall Street Summary for January 31:

- Dow Jones Industrial Average closed at 33,171.09, up 369.95 points or 1.09%.
- S&P 500 closed at 4,076.60, up 58.83 points or 1.46%.
- Nasdaq Composite closed at 11,584.55, up 180.74 points or 1.67%.
- Birling Capital Puerto Rico Stock index closed at 2,614.83, down 32.21 points or 1.22%.
- U.S. Treasury 10-year note closed at 3.52%.
- U.S. Treasury 2-year note closed at 4.21%.

IMF Global Economic Growth Forecast Updated 1.31.23

IMF Real GDP Growth
(Percent change)



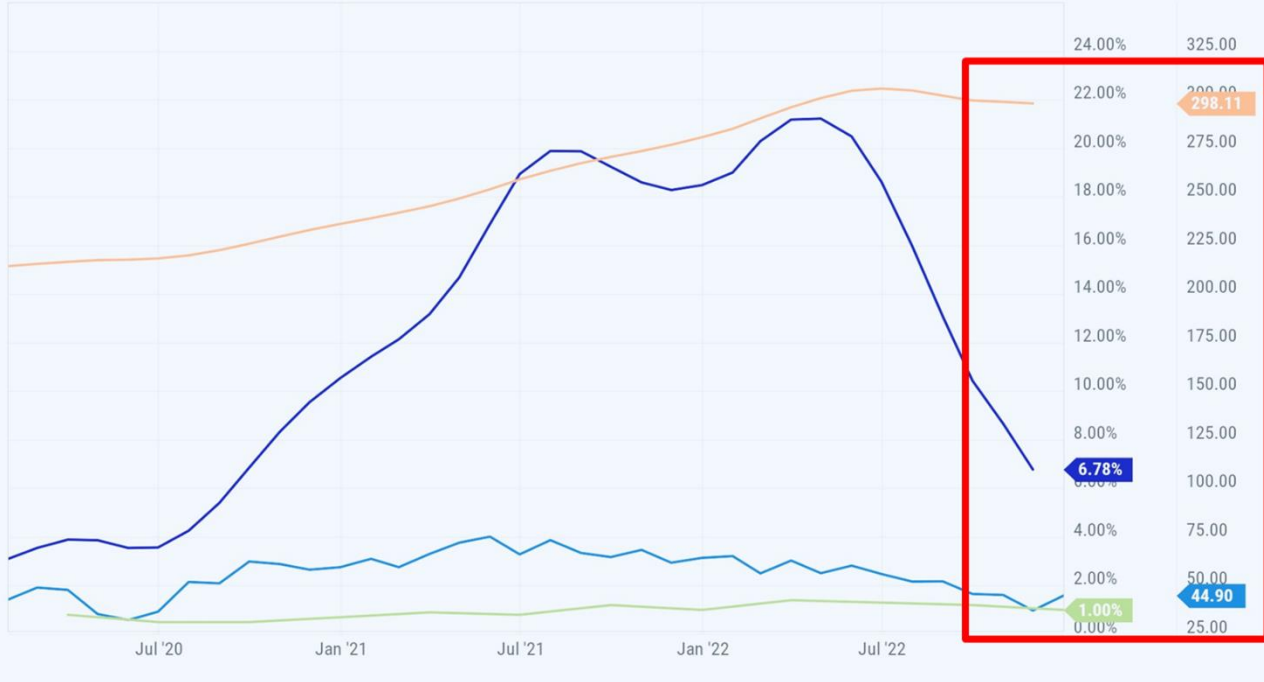
	Estimate		Projections	
	2021	2022	2023	2024
Argentina	10.4	4.6	2.0	2.0
Australia	5.2	3.6	1.6	1.7
Brazil	5.0	3.1	1.2	1.5
Canada	5.0	3.5	1.5	1.5
China	8.4	3.0	5.2	4.5
France	6.8	2.6	0.7	1.6
Germany	2.6	1.9	0.1	1.4
India	8.7	6.8	6.1	6.8
Indonesia	3.7	5.3	4.8	5.1
Italy	6.7	3.9	0.6	0.9
Japan	2.1	1.4	1.8	0.9
Korea	4.1	2.6	1.7	2.6
Mexico	4.7	3.1	1.7	1.6
Netherlands	4.9	4.2	0.6	1.2
Philippines	5.7	7.0	5.0	6.0
Russia	4.7	-2.2	0.3	2.1
Saudi Arabia	3.2	8.7	2.6	3.4
South Africa	4.9	2.6	1.2	1.3
Spain	5.5	5.2	1.1	2.4
United Kingd	7.6	4.1	-0.6	0.9
United States	5.9	2.0	1.4	1.0



Case-Shiller Composite Home Price Index, Case-Shiller Home Price Index-National, Chicago PMI & US Employment Cost Index

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- Case-Shiller Composite 20 Home Price Index YoY
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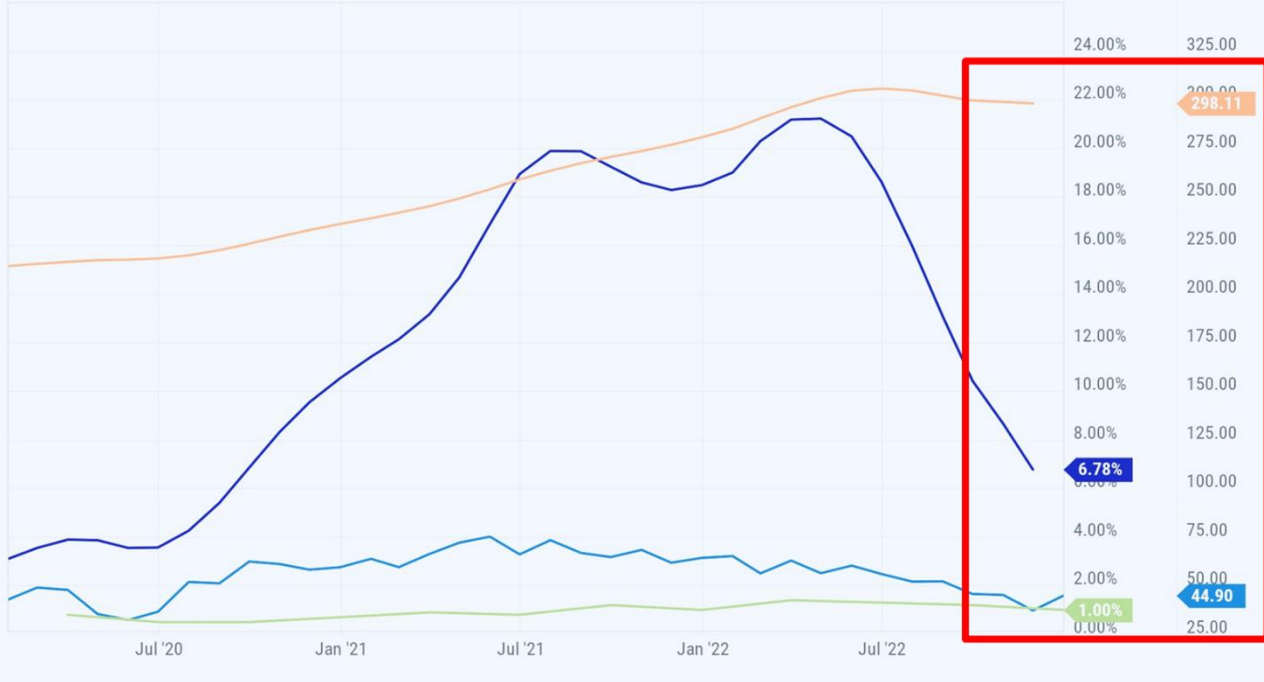




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Wall Street Recap

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