

GLOBAL MARKET SQUARE



Goldman Sachs's second-quarter net income fell 58%, US Housing Starts fell by -8.02%, and Wall Street closed higher.

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The U.S. and European stock markets closed the session with more gains adding to a solid rally that has seen the S&P 500 rise more than 2.13% in the past week, and in similar form, the Dow Jones Industrial Average has increased more than 700 points.

The US Housing data that includes Housing Starts fell -8.02%, and Building Permits fell -3.74%, much weaker than consensus estimates. The economic data released shows a zigzagging pattern that continues to be affected by higher interest rates. When paired with the Sales report that was also down, it tells us that U.S. Consumer spending patterns have turned cautious regarding discretionary spending.

Lastly, as we turn our attention to the corporate earnings parade, Goldman Sachs (GS), the last of the six money center banks to report its second-quarter earnings with revenues down 8% and Net Income decreasing 58%, missing estimates.

As we look at the results from JP Morgan Chase, Citigroup, Wells Fargo, Bank of America, Morgan Stanley, and Goldman Sachs, the six banks' combined revenues for the 2Q23 of \$130.821 billion and Net Income of \$33.195 billion, this was a solid quarter particularly following the banking crisis of confidence.

After the market closes, two tech sector stars will report their earnings; Netflix (NFLX) and Tesla (TSLA) will release results, and the current consensus estimates predict surprises on the upside.

GDPNow Update:

- The GDPNow for the second quarter of 2023 was updated on 7/19/23, remaining at 2.40% GDP unchanged.

Corporate Earnings Parade:

- **Goldman Sachs (GS):** reported 2Q23 revenues of \$10.895 billion, down 8%, and Net Income of \$1.26 billion, decreasing 58%, which missed estimates. The earnings per share were \$3.08, missing the forecast of \$4.038. The stock closed at \$342.24, up \$4.97 or 1.47%, with a price objective of \$381.82.

Key Economic Data:

- **US Housing Starts:** fell to 1.434 million, down from 1.559 million last month, decreasing -8.02%.
- **US Building Permits:** fell to 1.44 million, down from 1.496 million last month, dropping -3.74%.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** rose to 5.50%, compared to 5.30% last month.
- **UK Consumer Price Index YoY:** fell to 7.90%, compared to 8.70% last month.
- **UK Core Consumer Price Index YoY:** fell to 6.85%, compared to 7.14% last month.
- **UK Producer Price Index: Input YoY:** fell to -2.76%, compared to 0.40% last month.
- **UK Average House Price YoY:** fell to 1.94%, compared to 3.20% last month.

Eurozone Summary:

- **Stoxx 600** closed at 462.16, up 1.40 points or 0.30%.
- **FTSE 100** closed at 7,588.20, up 134.51 points or 1.80%.
- **Dax Index** closed at 16,123.48, down 2.01 points or 0.01%.

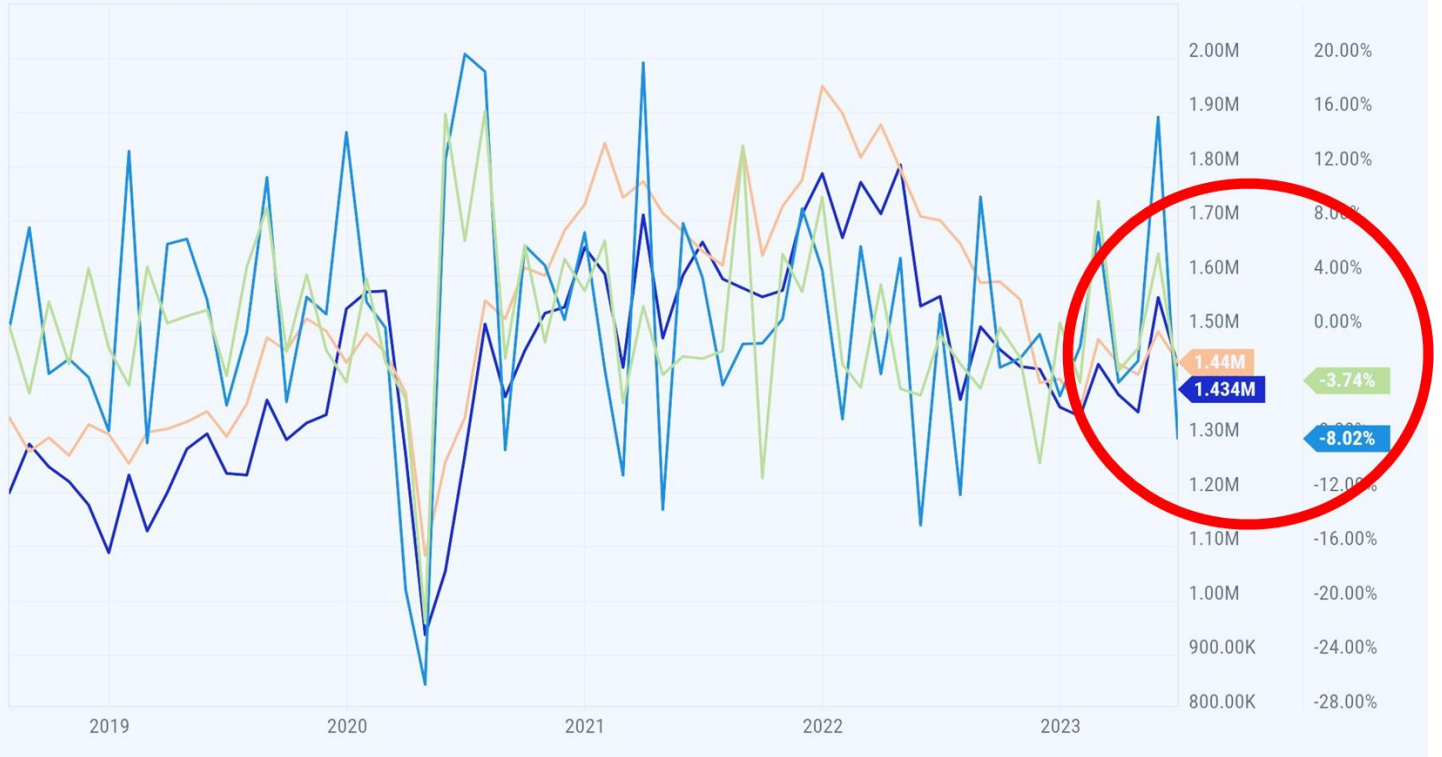
Wall Street Summary:

- **Dow Jones Industrial Average** closed at 35,061.21, up 109.28 points or 0.31%.
- **S&P 500** closed at 4,565.72, up 10.74 points or 0.24%.
- **Nasdaq Composite** closed at 14,358.02, up 4.38 points or 0.03%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,809.97, up 83.63 points or 3.07%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,931.13, up 111.72 points or 2.93%.
- **U.S. Treasury 10-year note** closed at 3.75%.
- **U.S. Treasury 2-year note** closed at 4.74%.



US Housing Starts, US Building Permits, US Housing Starts MoM & US Building Permits MoM

- US Housing Starts
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EU Inflation Rate, UK CPI, UK Core CPI, UK PPI Input, UK PPI Output & UK Average House Price YoY

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- Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco (I:EIREEFNM)
- UK Consumer Price Index YoY (I:UKCCXRBU)
- UK Core Consumer Price Index YoY (I:UKCCPIYY)
- UK Producer Price Index: Input YoY (I:UKPPIIYY)
- UK Producer Price Index: Output YoY (I:UKPPIOYY)
- UK Average House Price YoY (I:UKAHPYY)





Wall Street Recap

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