

Citigroup and Wells Fargo beat profit estimates, U.S. Retail sales rose to 7.73%, and Wall Street rallied.

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The U.S. & European stock markets developed a strong rally following stronger than expected retail sales rising to 7.73%, a 1% month-over-month increase, and the closely watched University of Michigan Index of Consumer Sentiment rising to 51.1.

Additionally, adding to the bank earnings yesterday, Wells Fargo and Citigroup reported earnings that beat profit consensus estimates; taking both stocks for a ride, Citigroup rose 13.25% and Well Fargo 6.12%.

The other issue concerning investors is the chance that the Fed may increase rates by 100 basis points, a fear that subsided today somewhat.

Even with the rally, the four indices we follow closed the week with losses.

While investors think that the Fed will not raise rates by 100 basis points, our view is that it is precedent that the Fed raised rates much further during the early eighties when Fed Chair Paul Volcker raised interest rates to 20%.

Corporate Earnings Parade:

- **Wells Fargo & Co. (WFC):** reported 2Q22 earnings with revenues of \$17.02 billion, down 16%, missed estimates, and a net income of \$3.119 billion, down 48.36%, beating estimates. Wells Fargo increased its provision for loan losses by \$580 million. The company stock has a price target of \$52.74 and closed at \$41.13, up \$2.39%.
- **Citigroup(C):** reported 2Q22 earnings with revenues of \$19.6 billion, up 9.18%, beating estimates, and a net income of \$4.5 billion, down 27.41%. Citi increased its provision for loan losses by \$375 million. The company stock has a price target of \$58.79 and closed at \$49.90, up \$5.76.

Key economic data:

- U.S. Index of Consumer Sentiment: rose to 51.10, up from 50.00 last month.
- U.S. Retail Sales YoY: rose to 7.73%, compared to 6.94% last month.
- U.S. Retail Sales MoM: rose to 1.00%, compared to -0.27% last month.
- U.S. Industrial Production MoM: fell to -0.20%, compared to 0.05% last month.
- U.S. Business Inventories MoM: rose to 1.57%, compared to 1.19% last month.
- U.S. Export Prices YoY: fell to 18.21%, compared to 18.70% last month.
- U.S. Import Prices YoY: fell to 10.66%, compared to 11.60% last month.
- U.S. Wholesalers Inventories MoM: fell to 1.94%, compared to 2.15 % last month.
- China Real GDP QoQ: fell to 0.40%, compared to 1.30% last quarter.

Puerto Rico COVID-19 Update July 15:

- Daily Cases: 511, up 10.95%
- Positivity Rate: 29.01, unchanged
- Hospitalizations: 350, down 0.14%
- Deaths: 5, down 50%.
- Source Puerto Rico Department of Health.

Eurozone Summary for July 15:

- Stoxx 600 closed at 413.80, up 7.30 points or 1.80%.
- FTSE 100 closed at 7,165.07, up 125.26 points or 1.78%.
- Dax Index closed at 12,869.30, up 349.64 points or 2.79%.

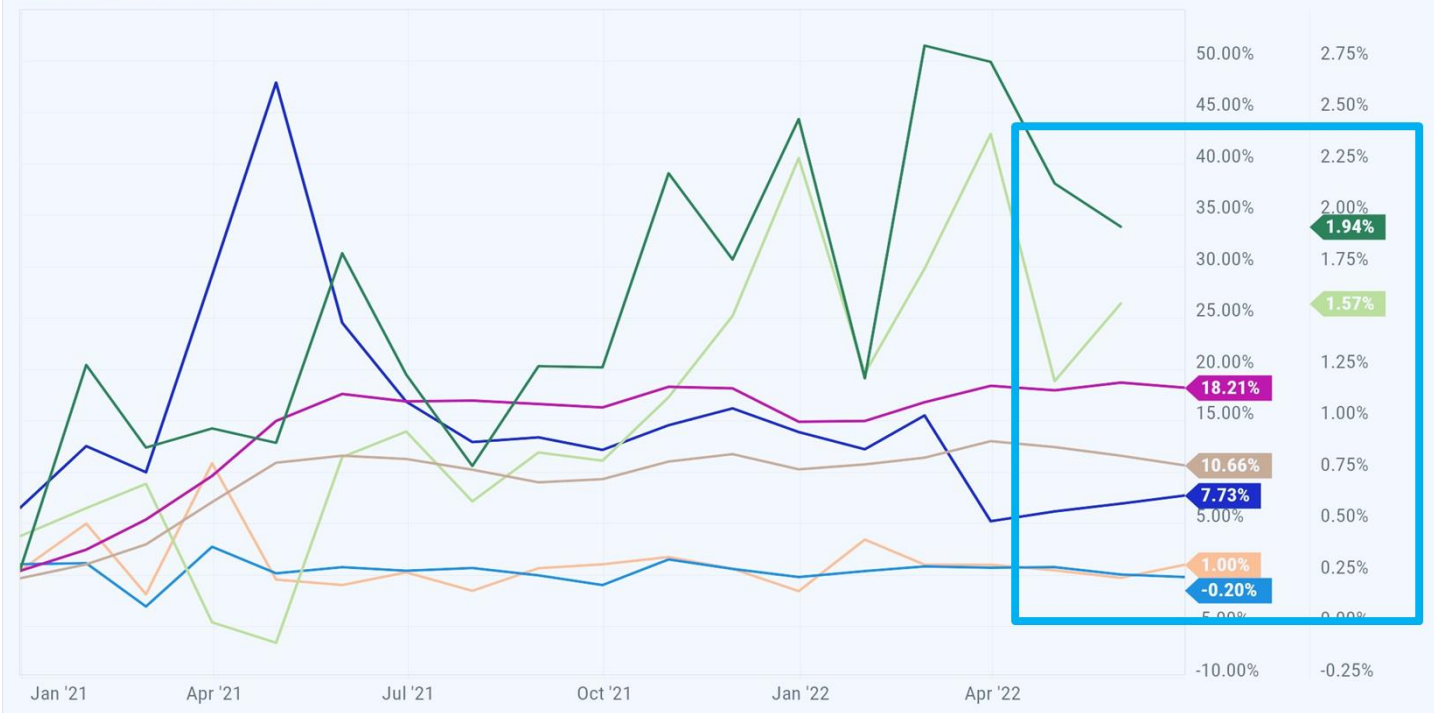
Wall Street Summary for July 15:

- Dow Jones Industrial Average closed at 31,288.26, up 658.09 points or 2.15%.
- S&P 500 closed at 3,863.16, up 72.76 points or 1.92%.
- Nasdaq Composite closed at 11,452.42, up 201.24 points or 1.79%.
- Birling Capital Puerto Rico Stock index closed at 2,546.07, down 9.76 points or 0.38%.
- The U.S. Treasury 10-year note closed at 2.93%.
- The U.S. Treasury 2-year note closed at 3.13%.

The Inverted Yield Curve spread widened for the seventh consecutive trading session.

US Retail Sales, Industrial Production, Business Inventories, Export & Import Prices

- US Retail Sales YoY
- US Retail Sales MoM
- US Industrial Production MoM
- US Business Inventories MoM
- US Export Prices YoY
- US Import Prices YoY
- US Wholesalers Inventories MoM





Wall Street July 15, 2022

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● Dow Jones Industrial Average Level



● S&P 500 Level



● Nasdaq Composite Level



● Birling Capital Puerto Rico Stock Index Level

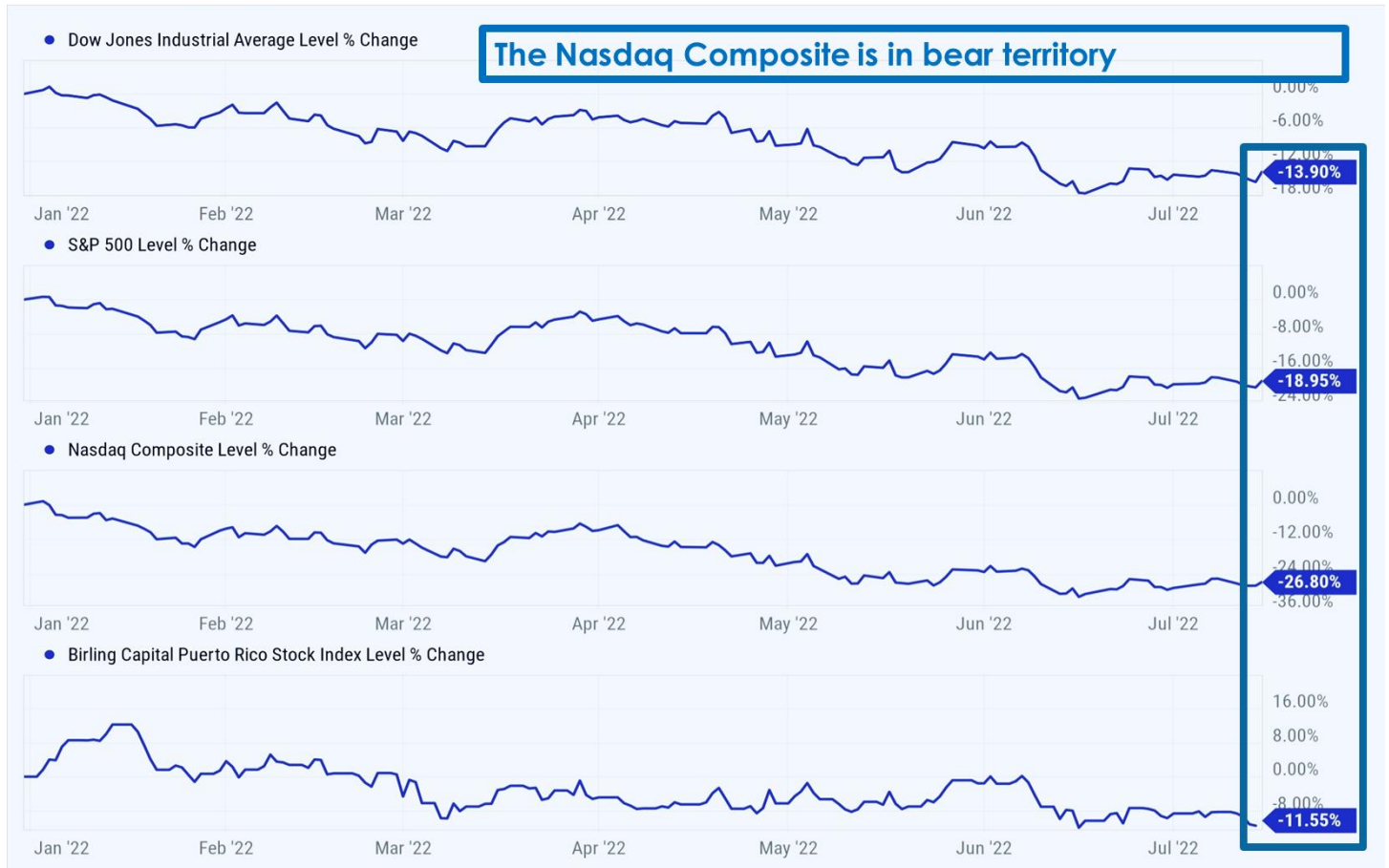




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YTD Returns



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