

GLOBAL MARKET SQUARE



The Home Sales and Mortgage market tanks; home sales fell 5.36%, Mortgages fell 7%, the worst since 2000, and Wall Street closed up.

Julio 20, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets closed with asymmetrical results, in the U.S. timidly up and in Europe down. Investors seem to be waiting for more earnings news to determine if they jump into the market or remain in a holding pattern. Additionally, out-of-control inflation has gone global; as Canada reported, the Consumer Price Index rose 8.13%, and the U.K. Consumer Price Index rose to 9.40%, both 40 years' highs.

In the U.S., Existing Home Sales fell to 5.12 million, down -by 5.36% and mortgage demand also fell last week by 7% compared to the previous week or 19% to 2021. The home sales and mortgages will only worsen as higher interest rates, and out-of-control inflation will sideline many buyers.

Corporate Earnings Parade:

- **Abbot Labs (ABT):** reported 2Q22 earnings with revenues of \$11.3 billion, up 10.1%, beating estimates, and a net income of \$2,018 billion, up 69.7%; the bright spot was the COVID-19 testing revenue of \$2.3 billion and the outlook of \$6.2 billion for the whole year. The company has a price target of \$128.10, and the stock closed at \$108.23, down \$1.70.

Key economic data:

- U.S. Existing Home Sales: fell to 5.12 million, down from 5.41 million last month, decreasing - 5.36%.
- Canada Consumer Price Index YoY rose 8.13%, compared to 7.73% last month.
- U.K. Consumer Price Index YoY: rose to 9.40%, compared to 9.10% last month.
- U.K. Average House Price YoY: rose to 12.82%, compared to 11.94% last month.
- Germany Producer Price Index YoY: fell to 32.70%, compared to 33.60% last month.

Puerto Rico COVID-19 Update July 20:

- Daily Cases: 424, down 10.35%.
 - Positivity Rate: 29.03%, up 10.29%.
 - Hospitalizations: 352, down 4.60%.
 - Deaths: 9
- Source Puerto Rico Department of Health.

Eurozone Summary for July 20:

- Stoxx 600 closed at 422.49, down 0.92 points or 0.22%.
- FTSE 100 closed at 7,264.31, down 31.97 points or 0.44%.
- Dax Index closed at 13,081.98, down 26.43 points or 0.20%.

Wall Street Summary for July 20:

- Dow Jones Industrial Average closed at 31,874.84, up 49.79 points or 0.15%.
- S&P 500 closed at 3,959.90, up 23.21 points or 0.59%.
- Nasdaq Composite closed at 11,897.65, up 184.50 points or 1.58%.
- Birling Capital Puerto Rico Stock index closed at 2,748.03, up 77.58 points or 2.91%.
- The U.S. Treasury 10-year note closed at 3.04%.
- The U.S. Treasury 2-year note closed at 3.25%.

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



Dow Jones, S&P 500, Nasdaq & Birling Puerto Rico Stock Index, YTD Returns 7/20/22



US Consumer Price Index vs. UK Consumer Price Index vs Eurozone Consumer Price Index



- US Consumer Price Index YoY
- UK Consumer Price Index YoY
- Canada Consumer Price Index YoY
- Eurozone Consumer Price Index YoY
- Eurozone Inflation Rate
- US Inflation Rate





www.birlingcapital.com

Wall Street July 20, 2022

BIRLING
CAPITAL ADVISORS, LLC



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.