

GLOBAL MARKET SQUARE



The Fed aggressively raised rates by 75 basis points taking actions reminiscent of 1981, Corporate earnings drove the markets up, and Wall Street closed with gains.

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The U.S. & European stock markets closed the session with solid gains as corporate earnings lifted the markets.

The Federal Reserve Bank concluded its July FOMC meeting and decided to increase interest rates by 75 basis points; the second month in a row and the fourth time it has raised rates this year, taking rates to a range of 2.25% to 2.50%. Both markets and investors largely expected the increase; however, the market did not expect the clue Fed Chair Powell gave that the Fed could slow the pace of its hiking campaign at some point.

After the market closed yesterday, both Microsoft and Alphabet reported earnings that fell below estimates; however, investors took notice of the substantial revenue growth of 12% for Microsoft and 13% for Alphabet and took both shares up for a ride. Today we also highlight the results of Bristol Myers Squibb and Boeing.

In the European Union, there is a determination by most countries to reduce or eliminate reliance on Russian Gas and Oil exports; it will begin by reducing consumption by 15%. Upon the news, gas prices rose more than 12% Nord Stream 1, reducing supply to less than 20% of the usual supply.

GDPNow Update:

- On July 27, the GDPNow model estimate for real GDP growth in the second quarter of 2022 is -1.2 percent, up from -1.6 percent on July 19.

Corporate Earnings Parade:

- **Alphabet (GOOG):** reported its 2Q22 earnings with revenues of \$69.68 billion, up 13%, and a net income of \$16.0 billion, down 15.76%, missing estimates. The company stock has a price target of \$142.56, closing at \$113.60, up 7.74%.
- **Bristol Myers Squibb (BMY):** reported its 2Q22 earnings with revenues of \$11.9 billion, up 2%, and a net income of \$1.421 billion, up 25.7%, beating estimates. The company stock has a price target of \$79.26, closing at \$74.72, up 1.48%.
- **Boeing (BA):** reported its 2Q22 earnings with revenues of \$16.6 billion, down 2%, and a net income of \$160 million, down 72%, beating estimates. The company stock has a price target of \$212.73, closing at \$156.11, up 0.12%.
- **Microsoft (MSFT):** reported its 2Q22 earnings with revenues of \$51.9 billion, up 12%, and a net income of \$16.9 billion, up 2%, missing estimates. The company stock has a price target of \$343.57, closing at \$268.74, up 6.69%.

Key Economic Data:

- U.S. Pending Home Sales YoY: fell to -19.96%, compared to -13.84% last month.
- U.S. Pending Home Sales MoM: fell to -8.63%, compared to 0.40% last month.
- U.S. Durable Goods New Orders MoM: rose to 1.87%, compared to 0.87% last month.
- Japan Business Conditions Composite Coincident Index: fell to 94.90, down from 96.80 last month, decreasing -1.96%.

Puerto Rico COVID-19 Update July 27:

- Daily Cases: 444, down 9.57%.
- Positivity Rate: 33.44%, up 4.27%.
- Hospitalizations: 341, up 4.39%.
- Deaths: 9, up 55%.
- Source Puerto Rico Department of Health.

Eurozone Summary for July 27:

- Stoxx 600 closed at 428.12, up 1.99 points or 0.47%.
- FTSE 100 closed at 7,348.23, up 41.95 points or 0.57%.
- Dax Index closed at 13,166.38, up 69.45 points or 0.53%.

Wall Street Summary for July 27:

- Dow Jones Industrial Average closed at 32,197.59, up 436.05 points or 1.37%.
- S&P 500 closed at 4,023.61, up 102.56 points or 2.62%.
- Nasdaq Composite closed at 12,032.42, up 469.85 points or 4.06%.
- Birling Capital Puerto Rico Stock index closed at 2,752.80, down 27.79 points or 1.00%.
- The U.S. Treasury 10-year note closed at 2.78%.
- The U.S. Treasury 2-year note closed at 2.96%.



Corporate Earnings Parade

Alphabet, Bristol Myers Squibb, Boeing, Microsoft

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YTD Returns

- Alphabet Inc Price % Change
- Boeing Co Price % Change
- Bristol-Myers Squibb Co Price % Change
- Microsoft Corp Price % Change

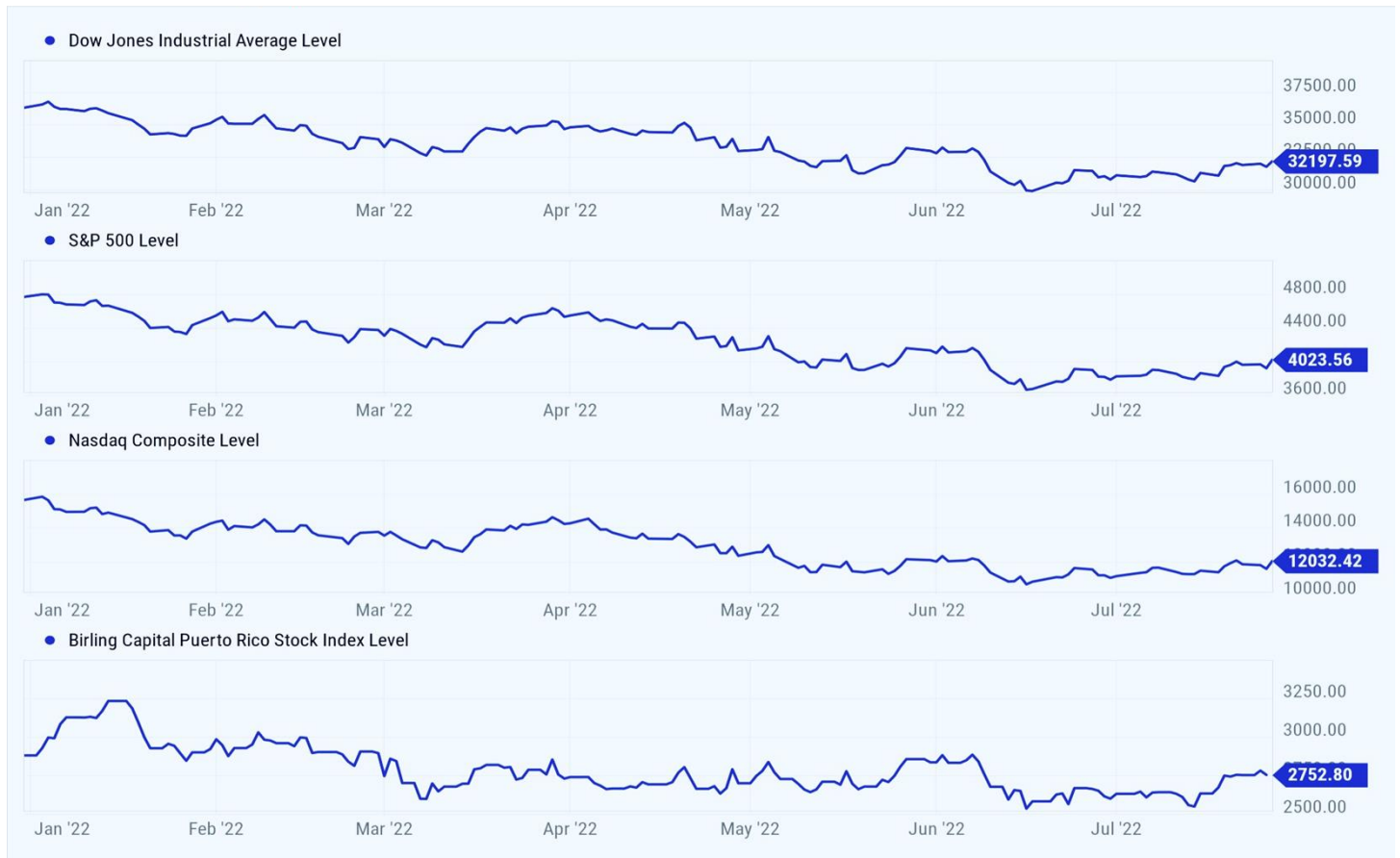


US Pending Home Sales YoY fell -19.96%, U.S. Pending Home Sales MoM fell -8.63%

- US Pending Home Sales YoY
- US Pending Home Sales MoM
- US Housing Starts
- US New Single Family Houses Sold



Wall Street July 27, 2022

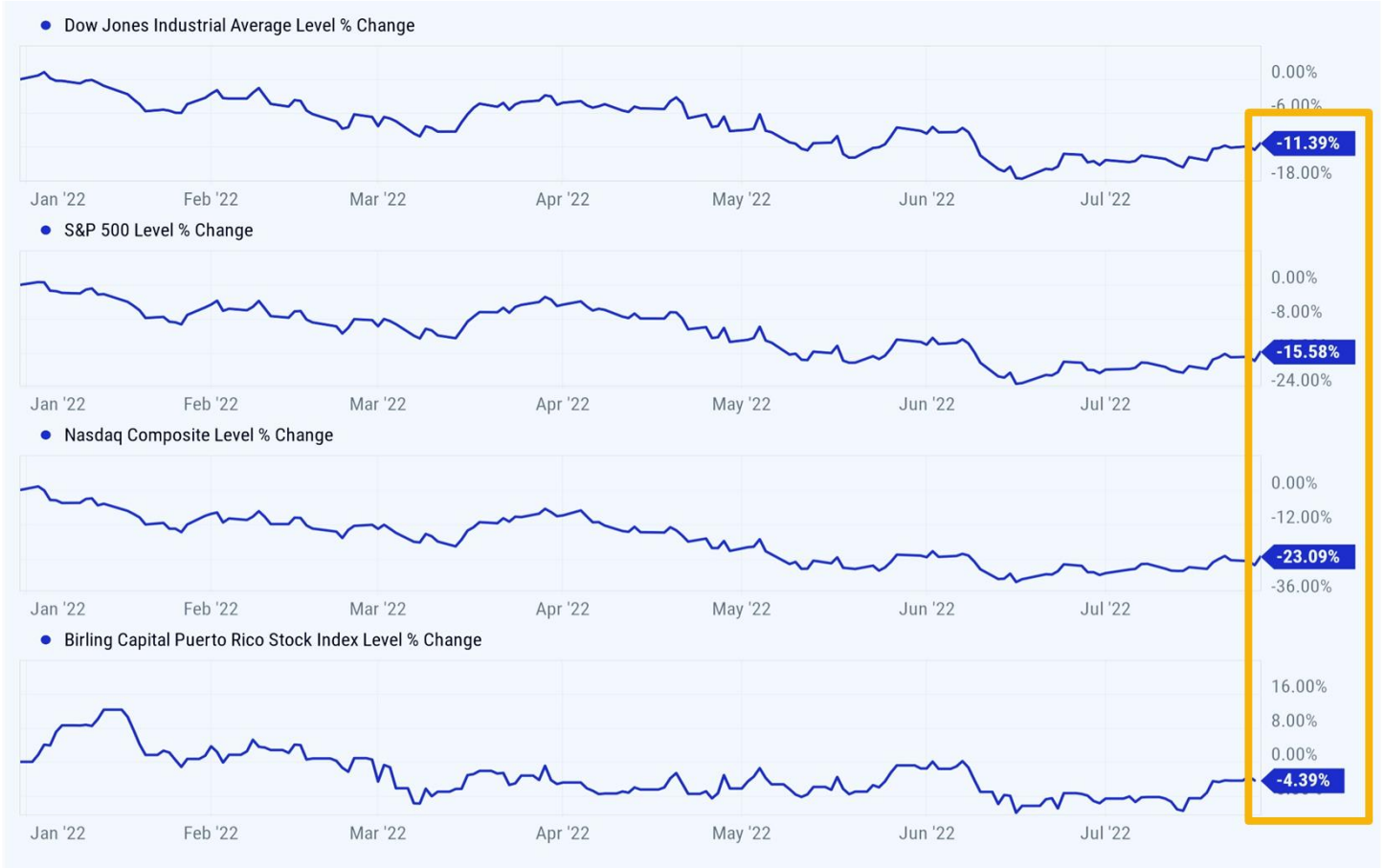




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Wall Street July 27, 2022

YTD Returns



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