

## The Fed's preferred inflation benchmark, the PCE Price Index, rises to 6.76%, and Apple and Amazon beat estimates and take Wall Street higher.

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The U.S. and European stock markets continued their winning streak on the coattails of more robust than expected corporate earnings. Today investors feel pleased with the results of Amazon, and Apple recorded one of the best weeks since 2020.

Investors have come to understand that the U.S. economy is in a transitional stage rather than a recession. The Bureau of Economic Analysis reported that it is unlikely that the U.S. economy has fallen into a recession as it takes more than GDP contraction and the labor market is still solid. However, this scenario could change over the next 12 to 18 months.

### Corporate Earnings Parade:

- **Apple (AAPL):** reported its 3Q22 earnings with revenues of \$82.959 billion, up 1.83%, and a net income of \$19.442 billion, down 10.58%, beating estimates. The company stock has a price target of \$179.54, closing at \$162.51, up 3.28%.
- **Amazon (AMZN):** reported its 2Q22 earnings with revenues of \$121.2 billion, up 10%, and a net loss of \$2.0 billion, beating estimates. The net loss includes a pre-tax valuation loss of \$3.9 billion in non-operating expenses from our common stock investment in Rivian Automotive, Inc. The company stock has a price target of \$171.73, closing at \$134.95, up 10.36%.

### Key Economic Data:

- U.S. PCE Price Index YoY: rose 6.76%, compared to 6.32% last month.
- U.S. Index of Consumer Sentiment: rose to 51.50, up from 50.00 last month, increasing 3.00%.
- U.S. Personal Spending MoM is at 1.07%, compared to 0.26% last month
- U.S. Personal Income MoM is at 0.62%, compared to 0.60% last month
- Chicago PMI: fell to 52.10, down from 56.00 decreasing -6.96%.
- Canada Real GDP MoM is at 0.34%, compared to 0.67% last month
- Germany's Real GDP YoY is at 1.50%, compared to 3.90% last quarter.
- Germany's Unemployment Rate: rose to 5.40%, compared to 5.20% last month.
- Japan Unemployment Rate: unchanged at 2.60%.
- Japan Housing Starts YoY: -2.25%, compared to -4.30% last month.

### Puerto Rico COVID-19 Update July 29:

- Daily Cases: 386, down 1.78%.
- Positivity Rate: 35.46%, up 2.96%.
- Hospitalizations: 385, up 9.35%.

- Deaths: 9, up 22.22%.
- Source Puerto Rico Department of Health.

### Eurozone Summary for July 29:

- Stoxx 600 closed at 438.29, up 5.52 points or 1.28%.
- FTSE 100 closed at 7,423.43, up 78.11 points or 1.52%.
- Dax Index closed at 13,484.05, up 201.94 points or 1.06%.

### Wall Street Summary for July 29:

- Dow Jones Industrial Average closed at 32,845.13, up 315.50 points or 0.97%.
- S&P 500 closed at 4,130.29, up 57.86 points or 1.42%.
- Nasdaq Composite closed at 12,390.69, up 228.09 points or 1.88%.
- Birling Capital Puerto Rico Stock index closed at 2,811.72, up 58.92 points or 2.14%.
- The U.S. Treasury 10-year note closed at 2.67%.
- The U.S. Treasury 2-year note closed at 2.89%.



## US PCE Price Index, Personal Income, Personal Spending & Chicago PMI





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