

## Banco Popular Posts Solid Q2 with Revenue Growth of 8.93% and EPS of \$3.08 up 20.70%, as global markets rally on trade optimism and earnings momentum.

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The U.S. and European stock markets closed with solid gains as investors reacted positively to renewed progress on global trade and upbeat earnings data. The newly announced U.S.-Japan trade agreement has eased tensions, with tariffs on Japanese imports set at 15%—a sharp cut from the previously anticipated 25% that was to take effect August 1. In a show of confidence, Japan has committed to investing approximately \$550 billion in the U.S. industrial and healthcare sectors.

Domestically, industrial and health care stocks are leading gains, while technology and communications are underperforming. Overseas, Asian markets closed broadly higher, highlighted by Japan's Nikkei reaching a new all-time high. Meanwhile, the U.S. dollar is strengthening across major currency pairs, and WTI crude continues its downward trend, extending recent losses.

### Earnings Season Strengthens: Magnificent 7 in Focus

Earnings optimism is fueling sentiment as second-quarter reporting accelerates. Tech giants Alphabet and Tesla, two key members of the "Magnificent 7," are set to announce results after today's close. Thus far, 88% of S&P 500 companies reporting have exceeded estimates, with an average earnings surprise of 6.9%.

These stronger-than-expected results have lifted full-year S&P 500 earnings growth forecasts to 4.7%, up from 3.8% at the start of the quarter. The consensus estimates now call for 8.5% earnings growth in 2025, though potential tariff headwinds may dampen margin expansion.

### Corporate Results Spotlight: Popular Inc. and AT&T Deliver Strong Q2 Performance

Among the latest batch of corporate results, **Popular** and **AT&T** delivered strong second-quarter earnings, both beating analyst expectations and reinforcing confidence across financial and telecom sectors.

**Popular Inc.** reported strong second-quarter results, with **revenues rising 8.93%** and **net income increasing 12.92%**. Backed by a solid capital base and continued operational growth, the company is showing positive momentum. These are the first quarterly results under the leadership of **new President & CEO Javier D. Ferrer**, and they reflect a promising start that positions Popular well for the future.

On the other hand, **AT&T** posted **revenues that rose 3.5%**, and **net income** gains of **23.1%**. AT&T's continued wireless growth and cost optimization strategy appear to be yielding positive results. We will explore the results of both companies in more detail below, including profitability trends, capital allocation, and guidance revisions.

### Global Economic Indicators Show Mixed Signals Across Regions

Economic data released today paints a complex picture of global momentum, with regional divergences shaping market sentiment.

In the United States, **existing home sales declined to 3.93 million**, a **2.72% decrease**, marking the lowest sales level in four months. This decline reflects persistent inventory tightness and cautious consumer behavior, underscoring the continued strain in the housing market as elevated mortgage rates and affordability concerns weigh on buyer activity.

In the Eurozone, the **Consumer Confidence Indicator fell to -15.30**, while the **Economic Sentiment Indicator dipped to 94.00**. Both declines highlight concerns over the persistence of inflation, slowing growth, and political uncertainty across member states. However, **industrial production offered a bright spot**, with a YoY increase of **3.70%**.

In Asia, China's latest trade data surprised to the upside. **Exports rose 5.80% YoY**, while **imports turned positive**, up **0.86%**. The stronger trade figures pushed **China's trade surplus to \$114.77 billion**, a **11.19% increase** from the previous month. These numbers reinforce views of stabilizing activity in the world's second-largest economy, aided by targeted stimulus and resilient global demand for Chinese goods.

### Yields Edge Higher as Rate Cut Bets Persist

Bond yields closed modestly higher, with the 10-year U.S. Treasury closing at 4.40%, still below its May peak of 4.60%. Markets continue to price in two Federal Reserve rate cuts by year-end, followed by three more in 2026.

### Economic Data:

- **U.S. Existing Home Sales:** fell to 3.93M, down from 4.04M last month, a decrease of 2.72%.
- **Eurozone Consumer Confidence Indicator:** fell -15.30, down from -15.10 last month.
- **Eurozone Economic Sentiment Indicator:** fell to 94.00, down from 94.80 last month.
- **Eurozone Industrial Production Index YoY:** rose to 3.70%, compared to 0.20% last month.
- **China Exports YoY:** rose to 5.80%, compared to 4.74% last month.
- **China Imports YoY:** rose to 0.86%, compared to -3.32% last month.
- **China Trade Balance:** rose to 114.77B, up from 103.22B last month, increasing 11.19%.

### Corporate Earnings Parade:

1. **Popular Inc. (BPOP)** reported 2Q25 revenues of \$800 million, up 8.93%, net income of \$210,440 million, up 12.92%, and earnings per share of \$3.09, beating estimates. Popular has a Tier 1 Capital Ratio of 15.96% and a stock price target of \$126.38, which closed at \$115.59.
2. **AT&T Inc. (T)** reported 2Q25 revenues of \$30,847 billion, up 3.5%, net income of \$4.861 billion, up 23.1%, and earnings per share of \$0.54, beating estimates. ATT has a stock price target of \$29.93, closing at \$27.75

### Eurozone Summary:

- **Stoxx 600:** Closed at 550.22, up 5.88 points or 1.08%.
- **FTSE 100:** Closed at 9,061.49, up 37.68 points or 0.42%.
- **DAX Index:** Closed at 24,240.82, up 198.92 points or 0.83%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 45,010.29, up 507.85 points or 1.14%.
- **S&P 500:** closed at 6,358.01, up 49.29 points or 0.78%.
- **Nasdaq Composite:** closed at 21,020.02, up 127.33 points or 0.61%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,051.80, down 18.48 points or 0.45%.

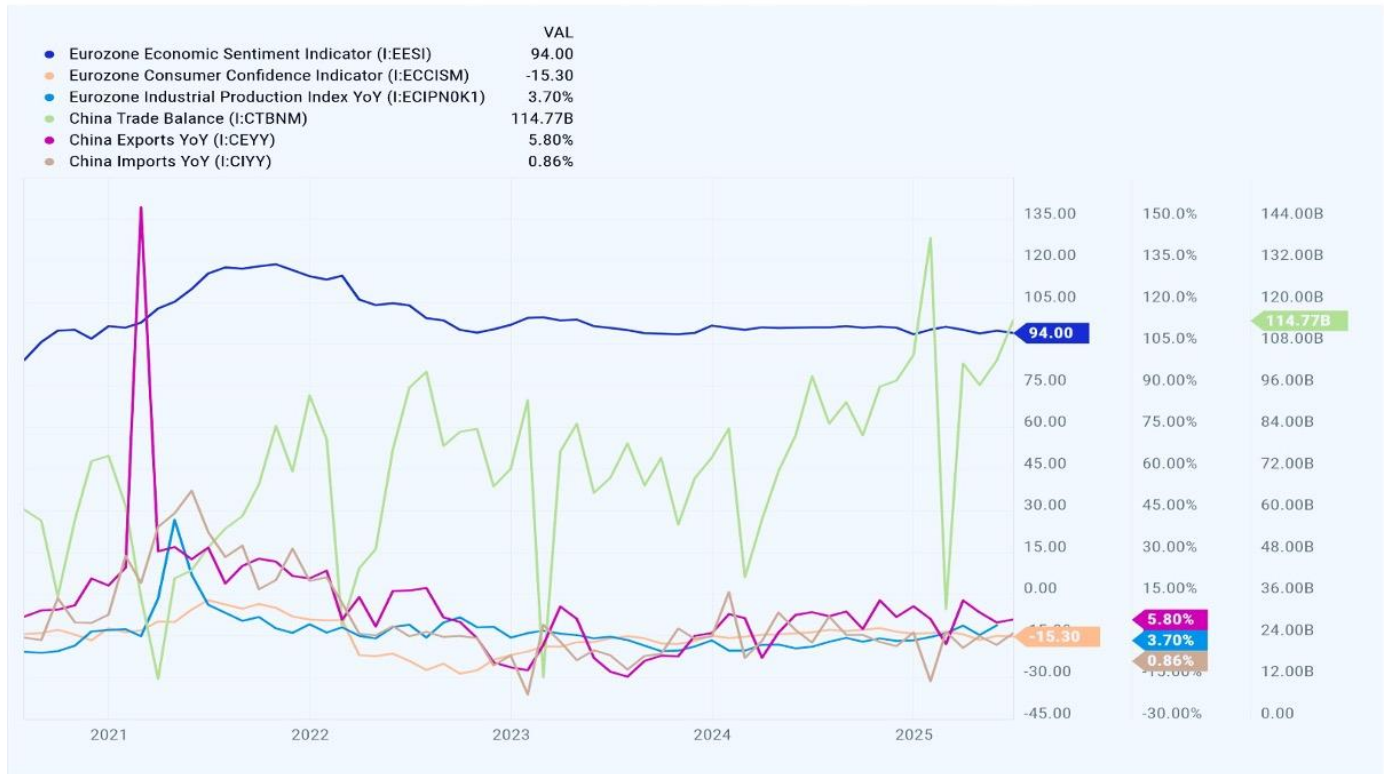
- **Birlinging Capital U.S. Bank Index:** closed at 7,602.36, up 48.13 points or 0.64%.
- **U.S. Treasury 10-year note:** closed at 4.40%.
- **U.S. Treasury 2-year note:** closed at 3.88%.

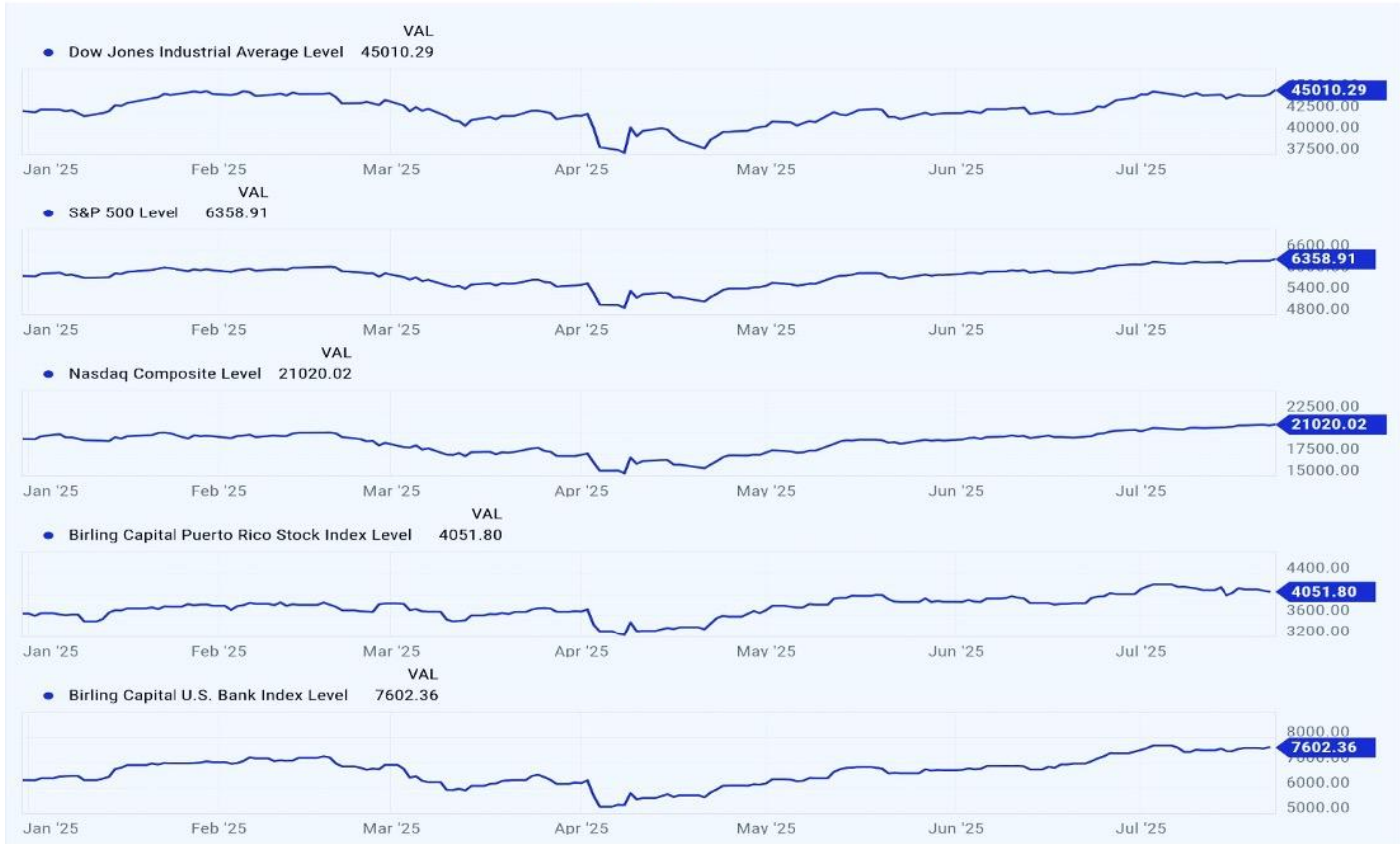


## US Existing Home Sales, US Existing Home Sales MoM & 30-Year Mortgage Rate



# Eurozone Economic Sentiment Indicator, Eurozone Consumer Confidence Production Index, China Trade Balance, China Exports & China Imports





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