

GLOBAL MARKET SQUARE



UBS reaches \$5 trillion in Assets Under Management and became #2 in Global Wealth Management by acquiring Credit Swiss; and Wall Street closed up.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets began with gains the week as the markets reacted positively to the implications of **UBS acquiring Credit Swiss, making UBS a \$5 trillion institution, with** UBS becoming 2nd only to Morgan Stanley in global wealth management, moving up from #4 and in global asset management, moves from 19th to 11.

Under the terms of the all-share agreement, Credit Suisse shareholders receive 1 UBS share for every 22.48 Credit Suisse shares held, a total purchase price of \$3.25 billion.

The merged banks are expected to generate an annual run rate of cost reductions of more than \$8 billion by 2027.

Credit Swiss sought a \$54 billion loan from the Swiss National Bank to avert a liquidity crisis. At the same time, the stock closed at \$2.01, not enough to curb the problem, and thus merger was pushed by the Swiss National Bank and FINMA with long-term rival UBS. The Swiss government is providing \$9 billion to backstop losses that UBS may incur by merging with Credit Swiss and The Swiss National Bank, providing more than \$100 billion of liquidity for UBS to facilitate the transaction.

Every time a storied institution with 167 years in operations ends up in a merger to save it from extinction is a sad day for me or any banker.

Credit Suisse was founded in 1856 to finance the development of Switzerland's rail system. Credit Swiss also financed Switzerland's electrical grid and the European rail system, among other vital contributions. By the 1900s, it shifted its focus to retail, private, and investment banking to compete with other Swiss rivals, UBS, and Julius Baer; however, since 2009, the bank has had a tough 15 years between a revolving door of CEOs and scandals that include:

1. International Emergency Economic Powers Act and New York State Law violations, 2009.
2. Forex manipulation, 2013.
3. U.S. tax fraud conspiracy, 2014, paid \$2.6 billion.
4. Mozambique secret loans scandal, 2017, paid a \$700 million fine.
5. Espionage scandal, 2019.
6. Archegos Capital, 2021, seven executives were removed after Credit Suisse reported losses of \$4.7 billion linked to its prime brokerage services provided to Archegos Capital.
7. Drug money laundering scandal, 2022.

Top U.S., PR, and Swiss Bank Stocks Performance YTD:

1. Morgan Stanley (MS) has a 0.73% return.
2. UBS Group (UBS) has a 0.16% return.
3. Citigroup (C) has a -2.55% return.

4. JP Morgan Chase (JPM) has a -5.23% return.
5. OFG Bancorp (OFG) has a -6.31% return.
6. Wells Fargo (WFS) has a -9.23% return.
7. Goldman Sachs (GS) has a -9.86% return.
8. First Bancorp. (FBP) has a -9.95% return.
9. Bank of America (BAC) has a -16.06% return.
10. Popular, Inc. (BPOP) has a -21.32% return.
11. Credit Swiss (CS) has a -68.91% return.
12. First Republic Bank (FRC) has a -90.14% return.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was on 3/16/23, showing an increase of 3.20% GDP.

Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$3.568, up from 3.505 last week, increasing 1.80%.
- **Germany Producer Price Index YoY:** fell to 15.80%, compared to 17.60% last month.
- **Germany Producer Price Index MoM:** fell to -0.30%, compared to -1.20% last month.

Puerto Rico COVID-19 Update March 20:

- Daily Cases: 58
- Positivity Rate: 11.01%
- Hospitalizations: 77
- Deaths: 2
- Source P R. Department of Health.

Eurozone Summary for March 20:

- Stoxx 600 closed at 440.81, up 4.50 points or 1.03%.
- FTSE 100 closed at 7,403.85, up 68.45 points or 0.93%.
- Dax Index closed at 14,933.38, up 165.18 points or 1.12%.

Wall Street Summary for March 20:

- Dow Jones Industrial Average closed at 32,244.58, p 382.60 or 1.20%.
- S&P 500 closed at 3,951.57, up 34.93 points or 0.89%.
- Nasdaq Composite closed at 11,675.54, up 45.02 points or 0.39%.
- Birling Capital Puerto Rico Stock index closed at 2,273.19, down 104.11 points or 4.38%.
- U.S. Treasury 10-year note closed at 3.47%.
- U.S. Treasury 2-year note closed at 3.92%.



GDPNow 3.16.23

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Date	GDPNow 1Q23	Change
1/27/2023	0.70%	Initial Forecast
2/1/2023	2.10%	66.67%
2/8/2023	2.20%	4.55%
2/15/2023	2.40%	8.33%
2/16/2023	2.50%	4.00%
2/24/2023	2.70%	7.41%
2/27/2023	2.80%	3.57%
3/1/2023	2.30%	-21.74%
3/7/2023	2.00%	-15.00%
3/8/2023	2.60%	23.08%
3/15/2023	3.20%	18.75%
3/16/2023	3.20%	0.00%

US Retail Gas Price, Germany Producer Price Index YoY, Germany Producer Price Index MoM

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- US Retail Gas Price (I:USRGP)
- Germany Producer Price Index YoY (I:GCPPIUM)
- Germany Producer Price Index MoM (I:GCIPPI)





Top US, PR, and Swiss Bank Stocks YTD Performance

- Morgan Stanley Price % Change
- UBS Group AG Price % Change
- Citigroup Inc Price % Change
- JPMorgan Chase & Co Price % Change
- OFG Bancorp Price % Change
- Wells Fargo & Co Price % Change
- The Goldman Sachs Group Inc Price % Change
- First BanCorp Price % Change
- Bank of America Corp Price % Change
- Popular Inc Price % Change
- Credit Suisse Group AG Price % Change
- First Republic Bank Price % Change





Wall Street Recap

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