GLOBAL MARKET SQUARE

BIRLING CAPITAL ADVISORS, LLC

The GDPNow forecasts a 2.90% GDP for 2Q23, Target Stores beats estimates, and Wall Street closed higher.

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The U.S. and European stock markets closed the session with mixed results; in the U.S., there is renewed optimism that the nation may avert a default on its debts following statements by both President Biden and Speaker McCarthy. President Biden said, "We're going to come together because there is no alternative; every leader in the room understands the consequences of failure". On the other hand, House Speaker McCarthy said, "At the end of the day, we do not have a debt default". As the June 1 deadline looms closed, both sides have begun to discuss serious solutions.

The other vital issues impacting the markets are the economy and corporate earnings; we summarize the latest developments. From yesterday's Home Depot results to today's Target Stores earnings, both companies have provided declining sales guidance for the 2Q23, a signal that the economy may be in worse shape than initially thought, Tomorrow Walmart is due to report its earnings and we shall have the complete picture to determine the broader scenario.

GDPNow Update:

- The GDPNow for the second quarter of 2023 was updated on 5/17/23, increasing to 2.90% GDP from 2.60%, a 10.34% increase.

Corporate Earnings Parade:

- **Target Corp. (TGT):** reported 1Q23 revenues of $24.948 billion, up 0.5%, and a net income of $950 million, falling 5.8%, beating estimates; however, it provided sales guidance for the 2Q23 that could range from a single digit increase to a decrease.

Key Economic Data:

- **U.S. Job Openings: Total Nonfarm:** fell to 9.59 million, down from 9.974 million last month, decreasing -3.85%.
- **U.S. Housing Starts:** rose to 1.401 million, up from 1.371 million last month, increasing 2.19%.
- **U.S. Building Permits:** fell to 1.416 million, down from 1.437 million last month, decreasing -1.46%.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** fell to 5.60%, compared to 5.70% last month.

Eurozone Summary:

- **Stoxx 600** closed at 463.88, down 0.82 points or 0.18%.
- **FTSE 100** closed at 7,723.23, down 27.85 points or 0.36%.
- **Dax Index** closed at 15,951.30, up 53.37 points or 0.37%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,420.77, up 408.63 or 1.24%.
- **S&P 500** closed at 4,158.77, up 48.87 points or 1.19%.
- **Nasdaq Composite** closed at 12,500.57, up 157.51 points or 1.28%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,302.89, down 17.34 points or 0.75%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,521.12, down 36.08 points or 1.01%.
- **U.S. Treasury 10-year** note closed at 3.57%.
- **U.S. Treasury 2-year** note closed at 4.12%.

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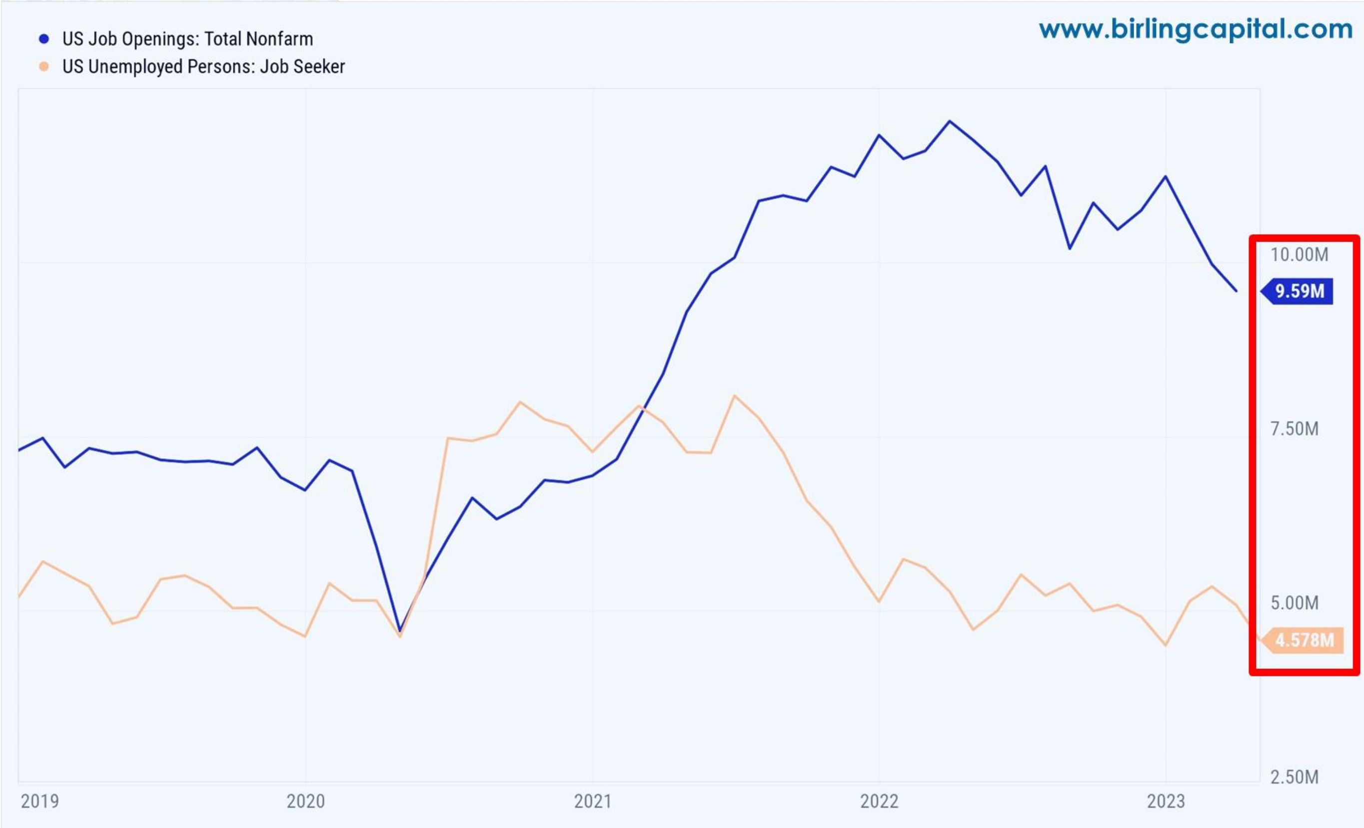
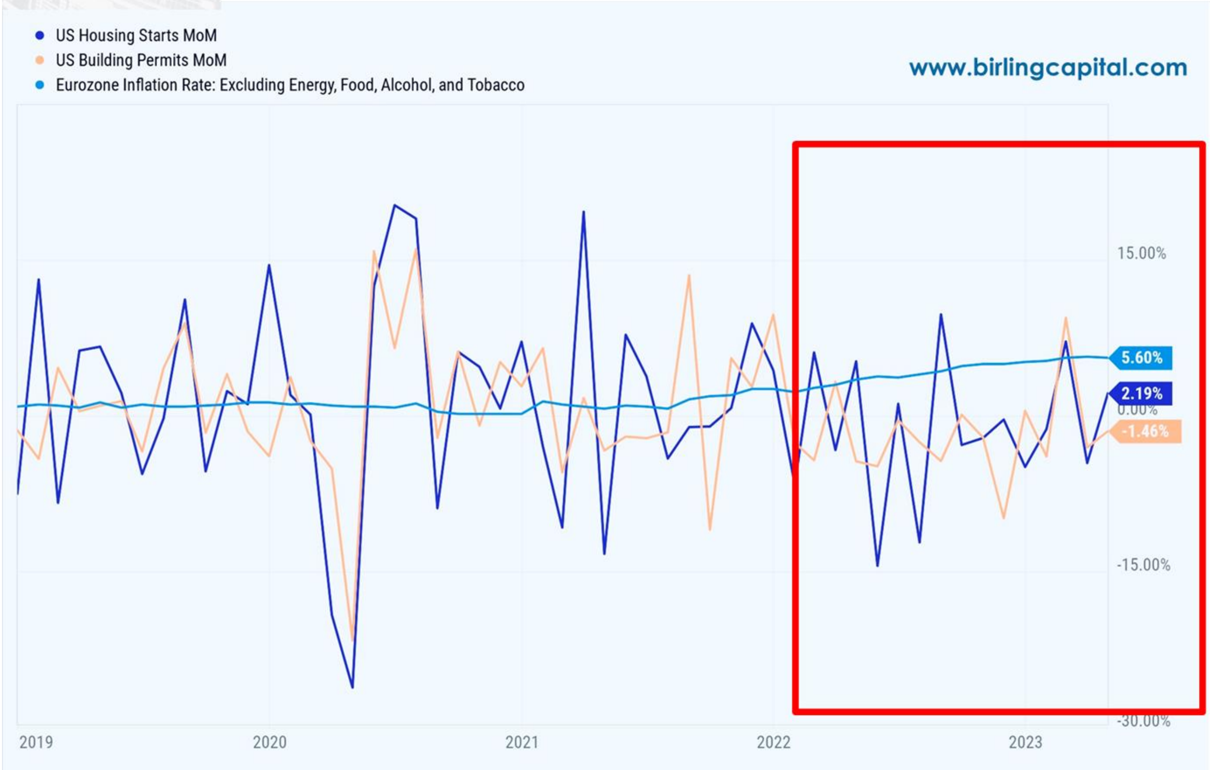
GDPNow 5.17.23
Second Quarter GDP Forecast

Date	GDPNow 2Q23	Change
4/28/2023	1.70%	Initial Forecast
5/1/2023	1.80%	5.56%
5/4/2023	2.70%	33.33%
5/8/2023	2.70%	0.00%
5/16/2023	2.60%	-3.85%
5/17/2023	2.90%	10.34%

US Job Openings: Total Nonfarm & US Unemployed Persons: Job Seekers Still show a deficit of 52.34%



US Housing Starts, US Building Permits & Eurozone Inflation Rate




Dow Jones Industrial Average Level
34000.00
33420.77
32000.00
31000.00
Jan '23
Feb '23
Mar '23
Apr '23
May '23
S&P 500 Level
4158.77
3900.00
3750.00
Nasdaq Composite Level
13000.00
12500.57
11000.00
10000.00
Birling Capital Puerto Rico Stock Index Level
2800.00
2600.00
2400.00
2302.89
Birling Capital U.S. Bank Index Level
4200.00
3900.00
3521.12