

## UBS Reports a Revenue increase of 42% and swings to a \$785 million loss on Credit Swiss consolidation charges, and Wall Street closed up.

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The U.S. and European stock markets closed with mixed results; however, on Wall Street, there is momentum building following last week's rise, the Nasdaq Composite rose 6.80%, the Birling Capital U.S. Bank Index with 7.58%, Birling Capital Puerto Rico Stock Index with 6.57%, the S&P 500 with 5.15% and the Dow Jones with 3.72%.

In our view, investors continue to assess if last week's rally can continue or will it fizzle.

On the other hand, oil and energy prices continue to trend down, with WTI crude oil down 2.5% at just over **\$77.00**; a prolonged decrease will have a solid impact on inflation data. Adding to this fact is Saudi Aramco,

The world's largest fossil fuel producer posted a whopping 24% Y-o-Y decrease in the third quarter net income, falling to \$32.6 billion from \$42.4bn, a 23.11% decrease. The deficit can be attributed to reduced oil production levels, a consequence of OPEC nations reducing output in an effort to boost worldwide prices. However, they didn't anticipate the decrease in demand and the increased volatility in developed economies.

Today, UBS Group AG unveiled its Q3 2023 earnings, which included the integration of Credit Suisse. The reported revenues surged to **\$11.695** billion, a 42.0% increase. However, a net loss of \$785 million was reported due to consolidation charges related to Credit Suisse. Excluding these charges, UBS achieved a net income of \$844 million. Notably, UBS experienced a remarkable inflow of \$22 billion in net new capital within its wealth management division, attracting new customers. Additionally, Credit Suisse recorded positive capital inflows for the first time since early 2022, despite its recent challenge."

To date, approximately 85% of S&P 500 companies have reported earnings and 81% have exceeded expectations. Earnings growth is set to rise by around 3.9% y-o-y, surpassing the expectation of 1.0%. It represents the first quarter of positive earnings growth after three consecutive negative quarters, potentially signaling improved profit margins and positive momentum in earnings.

Next week, the spotlight shifts to inflation as the U.S. CPI (Consumer Price Index) will be released on Tuesday. The latest Inflation Nowcast has the CPI at 3.28% and the Core CPI at 4.16%, a slight reduction from the previous month.

### Corporate Earnings Parade:

- **UBS Group AG (UBS):** reported 3Q23 revenues of \$11.695 billion, up 42.0%, Net Income (Loss) of (\$785) billion, and Earnings (Loss) per share of \$0.24 and a Tier 1 Capital Ratio of 14.40%. The net loss is attributed to charges due to the Credit Swiss consolidation; without these charges, UBS's net income was \$844 million. The stock has a price objective of \$31.80 and closed today

at \$24.92 or 2.34%. We include our GMS SnapShot Report on UBS for your review. [UBS Overview \(birlingcapital.com\)](https://birlingcapital.com/ubs-overview)

## GDPNow Update

- The GDPNow for the fourth quarter of 2023 was updated on November 7, 2023, to 2.10% GDP, up from 1.20% GDP on November 1, a 42.86% increase.

## Key Economic Data:

- U.S. Consumer Credit Outstanding MoM:** fell -\$15.63 billion, down from \$10.99 Billion last month.
- Germany Industrial Production Index MoM:** fell -1.40%, compared to -0.10% last month.
- China Exports YoY:** fell -7.24%, compared to -6.41% last month.
- China Imports YoY:** rose 2.61%, compared to -6.59% last month.
- China Trade Balance:** fell to \$56.53 billion, down from \$77.83 billion last month, down -27.37%.

## Eurozone Summary:

- Stoxx 600** closed at 442.52, down 0.72 points or 0.16%.
- FTSE 100** closed at 7,410.04, down 7.72 points or 0.10%.
- Dax Index** closed at 15,152.64, up 16.67 or 0.11%.

## Wall Street Summary:

- Dow Jones Industrial Average** closed at 34,152.60, up 56.74 points or 0.17%.
- S&P 500** closed at 4,378.38, up 12.40 points or 0.28%.
- Nasdaq Composite** closed at 13,639.86, up 121.08 points or 0.90%.
- Birling Capital Puerto Rico Stock Index** closed at 2,806.82, down 18.13 or 0.67%.
- Birling Capital U.S. Bank Stock Index** closed at 3,620.48, down 14.43 or 0.40%.
- U.S. Treasury 10-year note** closed at 4.58%.
- U.S. Treasury 2-year note market** closed at 4.91%.



# GDPNow for the Fourth Quarter 2023

Date	GDPNow 4Q23	Change
10/27/2023	2.30%	Initial Forecast
11/1/2023	1.20%	-91.67%
11/7/2023	2.10%	42.86%

# US Consumer Credit Outstanding Versus 30-Year Mortgage Rate, Target Feds Fund Rates & Effective Fed Funds Rate

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	VAL
● US Consumer Credit Outstanding MoM	-15.63B
● 30 Year Mortgage Rate	7.76%
● Target Federal Funds Rate Upper Limit	5.50%
● Target Federal Funds Rate Lower Limit	5.25%
● Effective Federal Funds Rate	5.33%

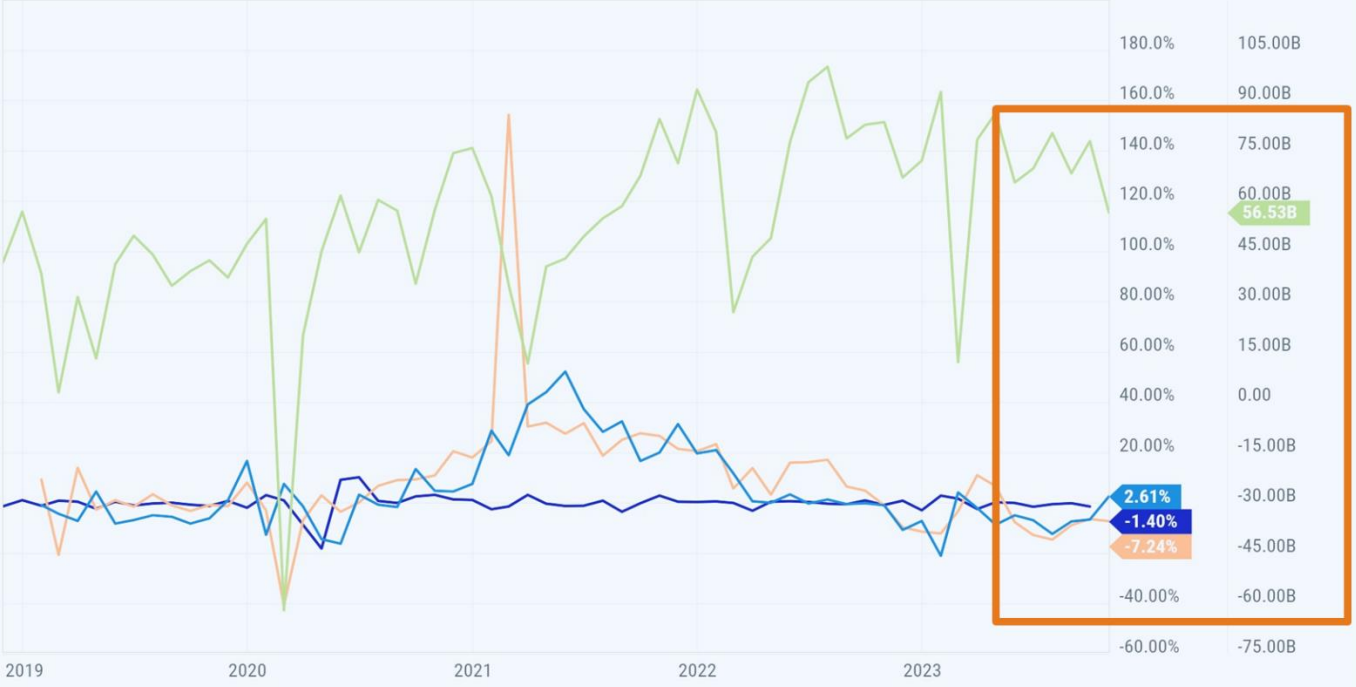




# Germany Industrial Production Index, China Exports, China Imports & China Trade Balance

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- Germany Industrial Production Index MoM (I:GCIPSA) -1.40%
- China Exports YoY (I:CEYY) -7.24%
- China Imports YoY (I:CIIYY) 2.61%
- China Trade Balance (I:CTBNM) 56.53B

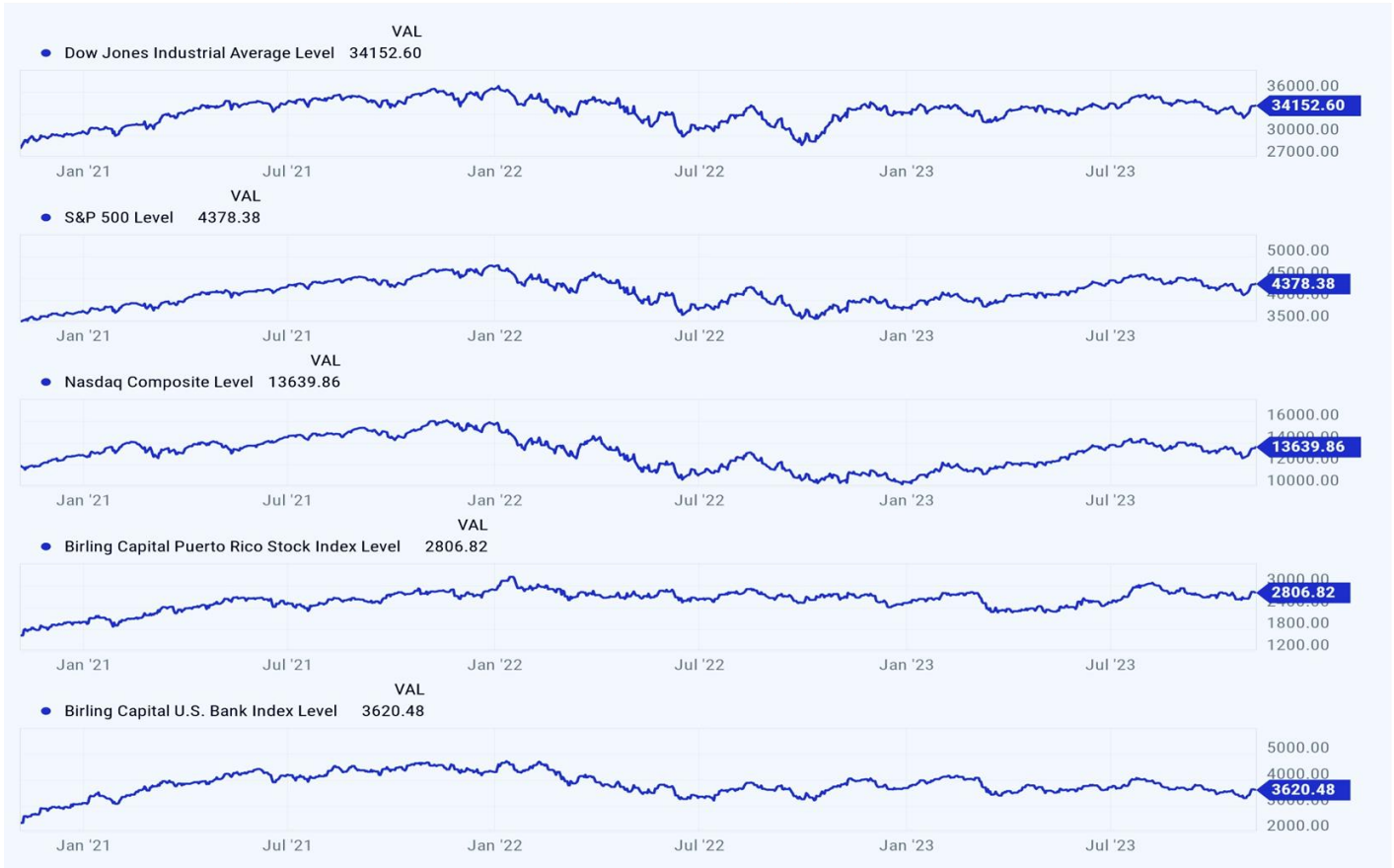




# Wall Street Recap

## November 7, 2023

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