

# GLOBAL MARKET SQUARE



**Former Fed Chair Ben Bernanke was awarded the Nobel Prize; while JP Morgan Chase CEO Jamie Dimon predicts a U.S. recession within six months, Wall Street closed down.**

**October 10, 2022**

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. & European stock markets ended the session with more losses following the report that Wall Street analysts had decreased third-quarter earnings expectations by a whopping \$34 billion. We are at the beginning of a busy week that includes the start of the corporate earnings season parade and the Consumer Price Index report due on October 13.

As corporate earnings season goes into full swing, a vast array of companies reports their earnings from 10/11 to 10/14, and it includes the likes of:

1. Delta Airlines (DAL),
2. Black Rock (BLK),
3. Pepsi (PEP),
4. Walgreens (WBA),
5. Goldman Sachs (G.S.),
6. JP Morgan Chase (JPM),
7. Wells Fargo (WFS),
8. Citi (C), and
9. Morgan Stanley (M.S.).

The bank's stocks are of particular interest since they have exposure to all industries providing critical data on the broader shape of the economy. On that note, JPMorgan Chase CEO Jamie Dimon warned that a "very, very serious mix of headwinds could tip both the U.S. and global economy into recession by the middle of next year.

The JP Morgan Chase CEO also said that while the U.S. is "actually still doing well at present," it could fall into a recession by 2023 and that consumers were likely to be in better shape than the 2008 global financial crisis.

Today, former Federal Reserve Bank Chairman Ben Bernanke was awarded the Nobel prize in economics jointly with Philip Dybvig of Washington University and Douglas Diamond of the University of Chicago. The Nobel Prize is given for the economist's work on the role of banks in the economy and financial crises.

## **S&P 500 Earnings in Focus:**

S&P 500 Earnings Per Share Forward Estimate rose to 55.69, up from 53.39 last quarter increasing 4.31% from last quarter.

## Quarter EPS Estimate

- December 23 55.69
- September 23 53.39
- June 23 52.00
- March 23 50.04
- December 22 50.64

## The CPI in the Horizon

Also, on 10/13, the next reading of the Consumer Price index is due to report. The expectation is for it to fall between 8.0% to 8.1% from its prior reading of 8.26%. Should the CPI fall further than 8%, it would indicate that the inflation peak is behind us; however, should it rise above last month's 8.26%, it would provide the Fed with fuel to increase rates further.

## Puerto Rico COVID-19 Update October 10:

- Daily Cases: 122
- Positivity Rate: 12.75%
- Hospitalizations: 173
- Deaths: 0
- Source Puerto Rico Department of Health.

## Eurozone Summary for October 10:

- Stoxx 600 closed at 390.68, down 0.99 points or 0.25%.
- FTSE 100 closed at 6,959.31, down 31.78 points or 0.045%.
- Dax Index closed at 12,272.94, down 0.060 points or 0.0049%.

## Wall Street Summary for October 10:

- Dow Jones Industrial Average closed at 29,202.88, down 93.91 points or 0.32%.
- S&P 500 closed at 3,612.39, down 27.27 points or 0.75%.
- Nasdaq Composite closed at 10,542.10, down 110.30 points or 1.04%.
- Birling Capital Puerto Rico Stock index closed at 2,602.79, down 54.39 points or 2.05%.

• Dow Jones Industrial Average Level



• S&P 500 Level



• Nasdaq Composite Level



• Birling Capital Puerto Rico Stock Index Level



## Dow Jones, S&P 500, Nasdaq & Birling Puerto Rico Stock Index, YTD Returns 10/10/22



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.