

GLOBAL MARKET SQUARE



**Bank of America's Net Income rises 12.6%,
and Charles Schwab's Net Income
increases 32%, taking Wall Street for a
rally.**

October 17, 2022

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets began the week with a solid rally fueled by better-than-expected corporate earnings. Last week four of the largest banks reported, including JP Morgan Chase, Morgan Stanley, Wells Fargo, and Citi. Today, Bank of America delivered its 3Q22 earnings that rose 12.6%, beating expectations and Charles Schwab reported earnings that rose 32%, surpassing estimates.

These five banks collectively reported 3Q22 revenues of \$108.1 billion, an increase versus last quarter, and a Net Income of \$24.46 billion. These results, along with those of other key Wall Street stalwarts, such as Charles Schwab, have made the market move up.

In Europe, news of the United Kingdom's reversal of more than 60% of the infamous £45bn tax cuts by former Chancellor Kwasi Kwarteng and to which the new Chancellor Jeremy Hunt eliminated—leaving Prime Minister Liz Truss's economic policy and future in doubt.

Corporate Earnings Parade:

- **Bank of America Corporation (BAC:)** reported 3Q22 revenues of \$24.5 billion, up 8%, and Net Income of \$7.1 billion, up 12.6%. The Bank CEO said it's defying the economic gloom.
- **Charles Schwab (SCHW):** reported 3Q22 revenues of \$5.5 billion, up 20%, and Net Income of \$2.02 billion, up 32%.

Key Economic Data:

- **U.S. Retail Gas Price:** rose to \$4.034, up from \$3.909 last week, increasing 3.20%.

Puerto Rico COVID-19 Update October 17:

- Daily Cases: 136
- Positivity Rate: 13.16%
- Hospitalizations: 138
- Deaths: 0
- Source Puerto Rico Department of Health.

Eurozone Summary for October 17:

- Stoxx 600 closed at 398.41, up 7.10 points or 1.02%.
- FTSE 100 closed at 6,920.24, up 61.45 points or 0.90%.
- Dax Index closed at 12,655.21, up 217.40 points or 1.75%.

Wall Street Summary for October 17:

- Dow Jones Industrial Average closed at 30,185.82, up 550.99 points or 1.86%.
- S&P 500 closed at 3,677.95, up 94.88 points or 2.65%.
- Nasdaq Composite closed at 10,675.80, down 354.41 points or 3.43%.
- Birling Capital Puerto Rico Stock index closed at 2,679.27, down 27.72 points or 1.02%.
- The U.S. Treasury 10-year note closed at 4.02%.
- The U.S. Treasury 2-year note closed at 4.45%.



Wall Street Recap October 17, 2022



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.