

GLOBAL MARKET SQUARE



The Corporate earnings of Coca-Cola, 3M, and the expectation from earnings of the Magnificent Seven drive Wall Street higher.

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The U.S. and European stock markets closed higher following a five-month low pullback after the markets regained their footing with some optimism from the corporate earnings results and the normalization of the U.S. treasuries.

The prospect of increasing rates has added enormous pressure to equity valuations and raised worries about the broader impact of further tightening and the prospect of a 10% Prime Rate on most businesses.

Investors now shift their focus toward corporate earnings of four of the Magnificent Seven from the Tech sector, which begins after the market closes today with Alphabet (GOOG) and Microsoft (MSFT), followed by Meta Platforms (META) on 10/25 and Amazon on 10/26.

Also, Puerto Rico investors await the third-quarter earnings of Evertec, Inc. (EVTC) and Popular, Inc. (BPOP), which report on 10/26.

Corporate Earnings Parade:

- **Coca-Cola (KO):** reported 3Q23 revenues of \$12 billion, up 8%, and Net Income of \$3.087 billion, up 9%, and reached earnings per share of \$0.71, surpassing estimates. The stock has a price objective of \$65.89, and it closed today at \$55.40, up 2.45%.
- **3M (MMM):** reported 3Q23 revenues of \$8.312 billion, down 3.6%, and Net Income (Loss) of (\$2.075) billion, down 153.8%, and reached earnings per share of (\$3.74); while results were not stellar, it beat estimates. The stock has a price objective of \$111.91, and it closed today at \$90.05, up 5.20%.

Key Economic Data:

- **Richmond Fed Manufacturing Index:** fell to 3.00, down from 5.00 last month, decreasing -40.00%.
- **Canada New Housing Price Index YoY:** fell to -1.03%, compared to -0.87% last month.
- **UK ILO Unemployment Rate:** rose to 4.40%, compared to 4.30% last month.

Eurozone Summary:

- **Stoxx 600** closed at 435.09, up 1.91 points or 0.44%.
- **FTSE 100** closed at 7,389.70, up 14.87 points or 0.20%.
- **Dax Index** closed at 14,879.94, up 79.22 points or 0.54%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,141.38, up 204.97 or 0.62%.
- **S&P 500** closed at 4,247.68, up 30.64 or 0.73%.
- **Nasdaq Composite** closed at 13,139.87, up 121.55 or 0.93%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,620.49, up 0.39 or 0.01%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,376.75, down 59.51 or 1.73%.
- **U.S. Treasury 10-year note** closed at 4.83%.
- **U.S. Treasury 2-year note market** closed at 5.02%.



Richmond Fed Manufacturing Index, Canada New Housing Price Index & UK ILO Unemployment Rate





Coca-Cola & 3M

YTD Stock Returns

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- Coca-Cola Co (KO) Price % Change -12.89%
- 3M Co (MMM) Price % Change -25.12%





Wall Street Recap

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