

GLOBAL MARKET SQUARE



Banco Popular stock rose 7.73% as 3Q23 revenues of \$693.57 million beat estimates, US GDP rose to 4.90%, and Wall Street tanked.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed the session with losses as investors analyzed the latest reading from the U.S. economy that reported Gross Domestic Product for the Third Quarter of 2023 at 4.90%, according to the advance estimate released by the Bureau of Economic Analysis. When we compared the 4.90% GDP to the last GDPNow of 5.40%, it translates into a -9.25% less; however, compared to the second quarter, GDP of 2.10%, it is a 133.33% increase quarter over quarter.

The U.S. economy continues to show solid growth and resiliency through the first three quarters of 2023, with strong support from a strong labor market and robust consumer spending.

However, investors should expect some softening in the U.S. economy during the rest of the year and into 2024.

In the markets, interest rates continue with high volatility, with the 10-year U.S. Treasury yields falling on Thursday as the market is pricing some economic softening into its outlook.

The corporate earnings parade continues today with local favorite Popular, Inc., reporting 3Q23 earnings, which beat estimates with revenues of \$693.57 million, and its stock shot up 7.73%, and Bristol Myers Squibb, which reported earnings that beat estimates, but sales fell short, and its stock plummeted. After the market closes, Amazon and Evertec will report their results.

So far, 42% of the S&P 500 companies have reported that 78% have surpassed expectations, and earnings growth is trending to grow by 1.7% year-over-year in the third quarter.

Corporate Earnings Parade:

- **Popular, Inc. (BPOP):** reported 3Q23 revenues of \$693.57 million, up 0.20%, Net Income of \$136.6 million, down 9.62%, and earnings per share of \$1.90, surpassing estimates with a Tier 1 Capital of 16.88%. The stock has a price objective of \$76.00, and it closed today at \$64.63, up 7.73%.
- **Bristol Myers Squibb (BMY):** reported 3Q23 revenues of \$11.0 billion, down 2.0%, Net Income of \$1.9 billion, up 18.79%, and earnings per share of \$2.00, surpassing estimates. The stock has a price objective of \$71.30, and it closed today at \$52.98, down 6.40%.

Key Economic Data:

- **U.S. Real GDP QoQ:** rose to 4.90%, compared to 2.10% last quarter.
- **U.S. Initial Claims for Unemployment Insurance:** rose to 210,000, up from 200,000 last week, up 5.00%.
- **U.S. Durable Goods New Orders MoM:** rose 4.65%, compared to -0.09% last month.

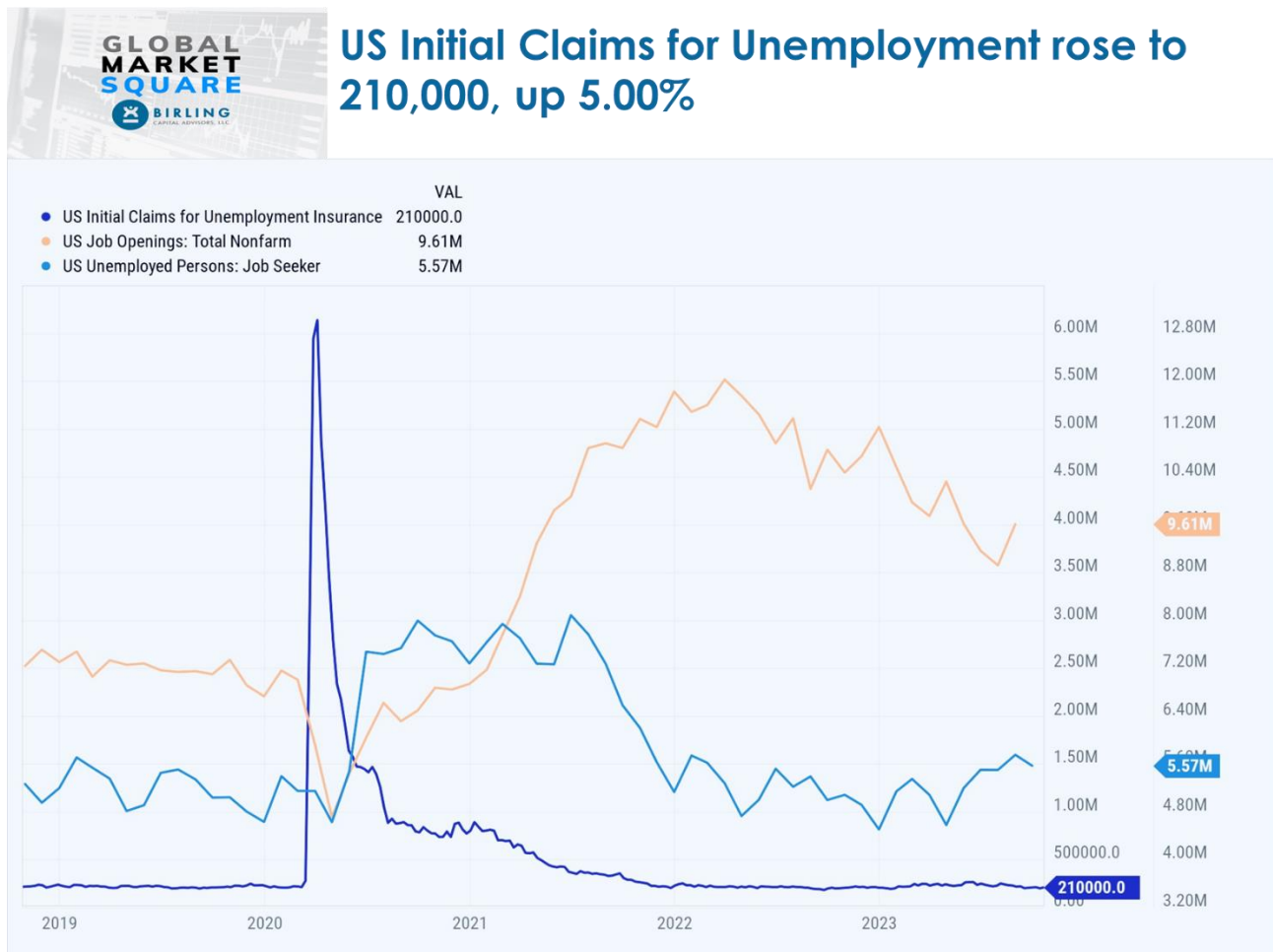
- **U.S. Total Vehicle Sales:** fell to 15.94 million, down from 16.46 million last month, decreasing -3.18%.
- **U.S. Pending Home Sales YoY:** fell -18.69%, compared to -14.30% last month.
- **U.S. Pending Home Sales MoM:** fell -7.12%, compared to 0.52% last month.
- **Kansas City Fed Manufacturing Production Index:** rose 12.00, up from -20.00 last month.
- **30-Year Mortgage Rate:** rose to 7.63%, compared to 7.57% last week.

Eurozone Summary:

- **Stoxx 600** closed at 433.22, down 2.05 points or 0.47%.
- **FTSE 100** closed at 7,354.57, down 59.77 points or 0.81%
- **Dax Index** closed at 14,731.05, down 161.13 points or 1.08%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 32,784.30, down 251.63 points or 0.76%
- **S&P 500** closed at 4,137.23, down 49.54 points or 1.18%.
- **Nasdaq Composite** closed at 13,595.60, down 225.62 or 1.76%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,603.04, down 34.97 or 1.33%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,356.35, down 15.46 or 0.46%.
- **U.S. Treasury 10-year note** closed at 4.86%.
- **U.S. Treasury 2-year note market** closed at 5.02%.



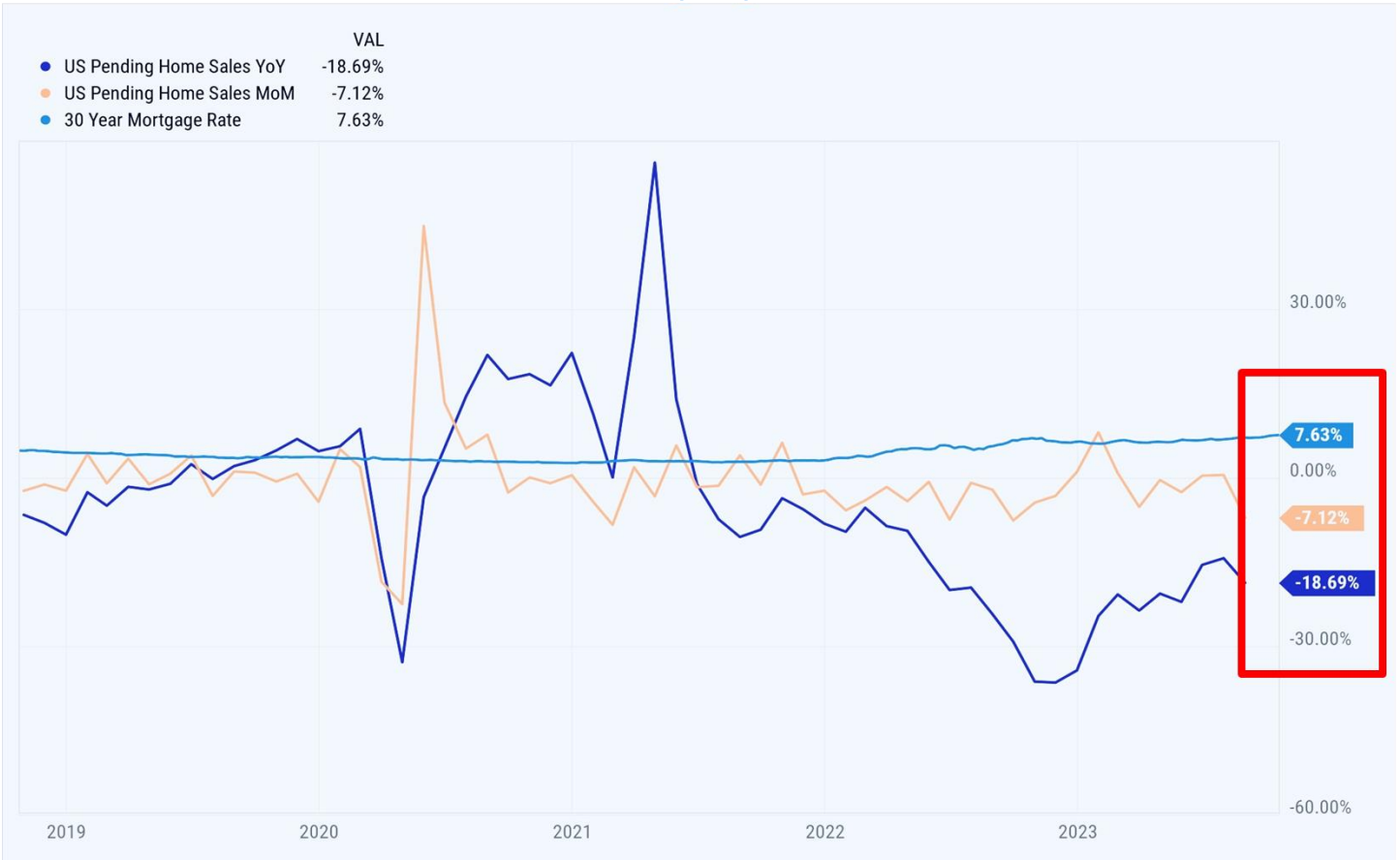


US Real GDP, US Durable Goods New Orders, US Total Vehicle Sales & Kansas City Fed Manufacturing Index





US Pending Home Sales YoY, US Pending Home Sales MoM & 30-Year Mortgage Rate





Wall Street Recap

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