

GLOBAL MARKET SQUARE



The Fed's preferred inflation benchmark, the Personal Consumption Index, fell to 3.44%, Amazon's net income rose 241.3%, and Wall Street sharply.

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The U.S. and European stock markets ended the week broadly lower, even as the Fed's preferred inflation benchmark the PCE Index, moved lower in line with consensus estimates.

The new narrative for investors is that the S&P 500 and the Nasdaq moved sharply lower, directed into a correction following the divergence of corporate earnings.

The fight to tame inflation continues to bear results as the Fed's preferred metric, the Personal Consumption Expenditures (PCE), fell to 3.44% year-over-year, in line with consensus estimates, and Core PCE came in at 3.68%, also in line with estimates.

The Fed's forecast at its September meeting called for core PCE inflation to fall to 3.7% in 2023, so more decreases in inflation would add to the Fed's expectations of achieving a 2% inflation target.

Lastly, as the Corporate Earnings Parade continued, almost 50% of the S&P 500 companies have reported third-quarter results, and north of 77% have exceeded earnings expectations. Today, we highlight Amazon, which readily beat earnings estimates with net income rising 241.27%, defining the odds, and local favorite Evertec, Inc., delivered revenues that rose 19% ahead of estimates; we discuss both in detail below.

Corporate Earnings Parade:

- **Amazon, Inc. (AMZN):** reported 3Q23 revenues of \$143.1 billion, up 13.0%, Net Income of \$9.9 billion, up 241.37%, and earnings per share of \$0.94, surpassing estimates. The stock has a price objective of \$171.50, and it closed today at \$127.74, up 6.83%.
- **Evertec, Inc. (EVTC):** reported 3Q23 revenues of \$173.2 million, up 19.0%, Net Income of \$10.0 million, down 93% and earnings per share of \$0.15, met estimates. The stock has a price objective of \$42.33, and it closed today at \$32.93, down 4.11%.

Key Economic Data:

- **U.S. PCE Price Index YoY: fell to 3.44%**, compared to 3.45% last month.
- **U.S. Core PCE Price Index YoY: fell to 3.68%**, compared to 3.84% last month.
- **U.S. Personal Income MoM: fell to 0.34%** down from 0.41% last month.
- **U.S. Personal Spending MoM: rose to 0.74%**, compared to 0.43% last month.
- **U.S. Index of Consumer Sentiment: fell to 63.80**, down from 67.90 last month.

Eurozone Summary:

- **Stoxx 600** closed at 429.58, down 3.62 points or 0.84%.
- **FTSE 100** closed at 7,291.28, down 63.29 points or 0.86%
- **Dax Index** closed at 14,687.41, down 43.64 points or 0.30%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 32,417.59, down 366.71 points or 1.12%
- **S&P 500** closed at 4,117.37, down 19.86 points or 0.48%.
- **Nasdaq Composite** closed at 12,643.01, up 47.41 or 0.38%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,679.52, up 76.47 or 2.94%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,395.45, up 39.10 or 1.16%.
- **U.S. Treasury 10-year note** closed at 4.84%.
- **U.S. Treasury 2-year note market** closed at 4.99%.



Amazon.com, Inc. & Evertec, Inc. Stock Returns YTD

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US PCE Price Index, US Core PCE Price Index, US Personal Income, US Personal Spending, and US Index of Consumer Sentiment

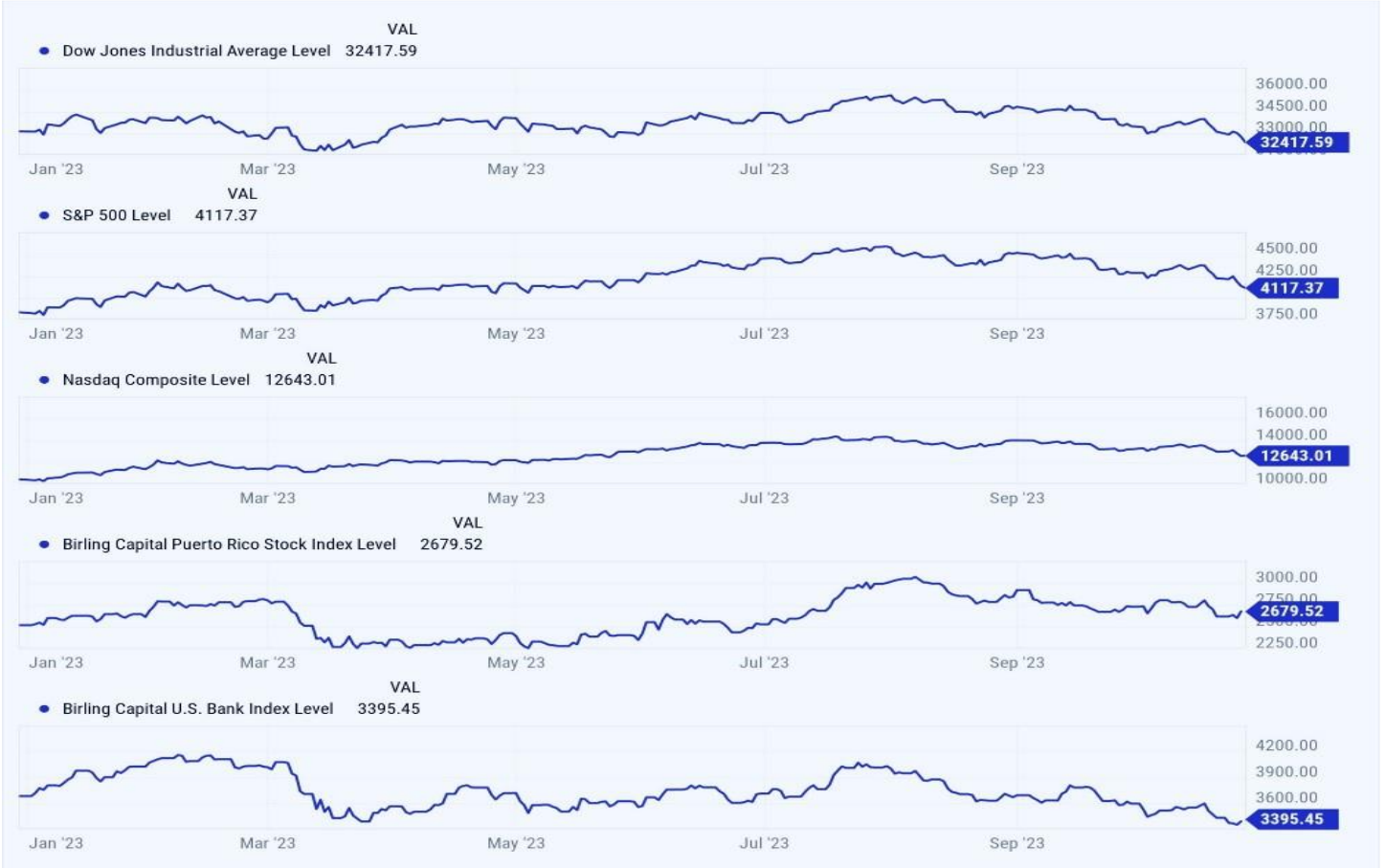


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● US PCE Price Index YoY	3.44%
● US Core PCE Price Index YoY	3.68%
● US Index of Consumer Sentiment	67.90
● US Personal Income MoM	0.34%
● US Personal Spending MoM	0.74%
● US Durable Goods New Orders MoM	4.65%





Wall Street Recap October 27, 2023



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