

GLOBAL MARKET SQUARE



The GDPNow for the 4Q23 is at 2.30% GDP, McDonald's reports third- quarter revenue increase of 14.0%, beating estimates, and Wall Street rises.

October 30, 2023

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

The U.S. and European stock markets began the week with solid gains, shaking off last week's losses, the worst in months. The 180-degree turnaround produced gains for the Dow Jones of 511.32 points, followed by the Nasdaq with 146.47 points and the S&P 500 with 49.45 points.

This week's focus is the Fed FOMC meeting, which takes place from October 31 to November 1, and we Markets await the interest-rate decision on Wednesday, which we predict the Fed will keep rates unchanged at the range of 5.25% - 5.50% with a Prime Rate of 8.50%.

Following every FOMC meeting, the Fed follows its determination on interest rates with a press conference hosted by Fed Chair Jerome Powell. In our view, as geopolitical uncertainties have increased with the Israel-Hamas War while the Russia-Ukraine war continues, no one knows how it all will play out; additionally, there are rising consumer auto and credit card delinquencies in the U.S. Market, which would stimulate the Fed to pause on both the November and December meetings to end the year at the current rates. Should the Fed pause, the markets will remain facing this high-rate environment until at least the second quarter of 2024 or at any point in which core inflation may be closer to the Fed's 2.0% target.

On economic news, the latest US Jobs report and the unemployment rate are to be released on Friday, November 3, and the current consensus estimates are total job growth of 180,000, down from 336,000 last month or 46.42% less, with the unemployment rate firm at 3.80%. The other metric we are closely watching that also reports on Friday are U.S. Job Openings Total Nonfarm and the Unemployed Persons: Job Seeker; as we have pointed out, there is a deficit between job openings, which were 9.61 million and those seeking jobs 5.57 million which is a 72.53% deficit a movement in the reduces the open jobs versus job seeker deficit will be viewed as another sign that the job market is cooling.

As the corporate earnings parade continued today, Wall Street stalwarts McDonald's Corporation reported its third-quarter earnings that saw revenues rise 14% and Net income 17%, beating estimates. We must highlight that corporate earnings are progressing toward growth in the third quarter, with further improvement during 2024.

GDPNow Update:

- The GDPNow initial forecast for the fourth quarter was released on 10/27/23 and is at 2.30% GDP.

Corporate Earnings Parade:

- **McDonald's Corp (MCD):** reported 3Q23 revenues of \$6.692 billion, up 14.0%, Net Income of \$2.317 billion, up 17.0%, and earnings per share of \$3.17, surpassing estimates. The stock has a price objective of \$312.27, and it closed today at **\$260.21, up 1.74%**.

Key Economic Data:

- **U.S. Retail Gas Price:** fell to \$3.66, down from \$3.706 last week, down -1.24%.
- **Germany Consumer Price Index YoY:** fell to 3.80%, compared to 4.50% last month.
- **Germany Harmonised Consumer Price Index YoY:** fell to 3.00%, compared to 4.30% last month.
- **Japan Consumer Confidence Index:** fell to 35.20, down from 36.20 last month, down -2.76%.
- **Japan Industrial Production Index MoM:** fell to -0.42%, compared to 1.05% last month.
- **China PMI:** rose to 50.20, up from 49.70 last month, up 1.01%.
- **China Non-Manufacturing PMI:** rose to 51.70, up from 51.00 last month, up 1.37%.

Eurozone Summary:

- **Stoxx 600** closed at 431.12, up 1.54 points or 0.36%.
- **FTSE 100** closed at 7,327.39, up 36.11 points or 0.50%
- **Dax Index** closed at 14,716.54, up 29.13 points or 0.20%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 32,928.96, up 511.37 or 1.58%.
- **S&P 500** closed at 4,166.82, up 49.45 or 1.26%.
- **Nasdaq Composite** closed at 12,789.48, up 146.47 or 1.16%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,640.82, down 37.72 points or 1.41%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,298.98, down 96.43 points or 2.84%.
- **U.S. Treasury 10-year note** closed at 4.88%.
- **U.S. Treasury 2-year note** market closed at 5.03%.



GDPNow

Date	GDPNow 4Q23	Change
10/27/2023	2.30%	Initial Forecast



US Retail Gas Price, Germany CPI, Germany Harmonized CPI, Japan Consumer Confidence, Japan Industrial Production, China PMI & China Non-Manufacturing PMI

	VAL
● US Retail Gas Price (I:USRGP)	3.66
● Germany Consumer Price Index YoY (I:GCCPNGCS)	3.80%
● Japan Consumer Confidence Index (I:JPCCI)	35.20
● Japan Industrial Production Index MoM (I:JCIIP)	-0.42%
● Germany Harmonised Consumer Price Index YoY (I:GCHCPI)	3.00%
● China PMI (I:CPMI)	50.20
● China Non-Manufacturing PMI (I:CNMPMI)	51.70

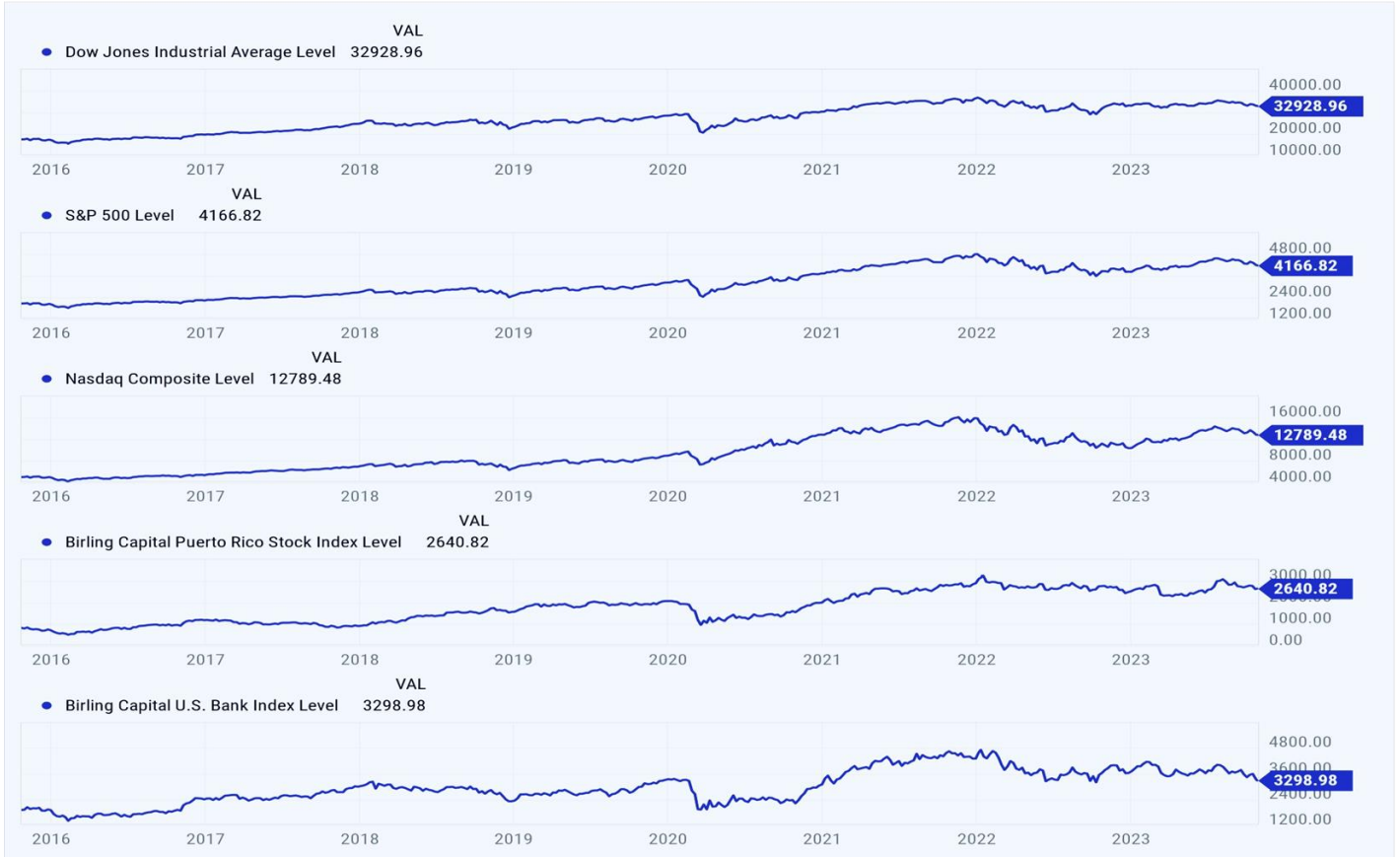




Wall Street Recap

October 30, 2023

www.birlingcapital.com



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.