

The expectations for the Fed to leave rates unchanged are at 100%, Pfizer and Caterpillar report earnings, and Wall Street closes higher.

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

The U.S. and European stock markets closed mostly higher as the corporate earnings and discussion over interest rate increases drove the market sentiment.

We are following how the week began with solid gains fueled better than expected corporate quarterly earnings results.

Today, the market's consensus of the direction of interest rates is as follows: we predict the Fed will keep rates unchanged at the range of 5.25% - 5.50% with a Prime Rate of 8.50% for next FOMC meetings; the current forecast is for the December 13 meeting a 76% chance the Fed will keep rates unchanged and for the January 31, 2024, meeting there is a 68.4% chance.

As the corporate earnings parade continues, we highlight Pfizer and Caterpillar. Pfizer revenues tanked 42% and swung to a loss, and the stock was unaffected, while Caterpillar revenues increased 12.0%; Net Income was up 42.0%, beating estimates, and the stock fell \$16.18 as the company lowered its sales outlook.

Some 50% of the S&P 500 companies have reported their 3Q23 earnings with revenues up 1.5% y-o-y and net incomes up 4%, evidencing that the companies are managing their expenses to retain their margins and increase earnings growth, which is above the consensus expectations.

In economic news, two key U.S. housing metrics reported today show an increase in home-price appreciation and an annual increase in the Case-Shiller home-price index with a 2.2% increase. Meanwhile, in Europe, the German economy continues to contract further as it reported a GDP of -0.80% and Retail Sales of -4.60%; lastly, in Japan, the unemployment rate remains at 2.70%, below its long-term average of 2.72% and housing starts while still negative improved slightly.

### Corporate Earnings Parade:

- **Pfizer, Inc. (PFE):** reported 3Q23 revenues of \$13.2 billion, down 42.0%, Net Loss of (\$2.382) billion, down 127.0%, and Loss per share of (\$0.17), missing estimates. The stock has a price objective of \$41.19 and closed today at \$30.55, unchanged.
- **Caterpillar Inc (CAT):** reported 3Q23 revenues of \$16.8 billion, up 12.0%, Net Income of \$3.449 billion, up 42.0%, and earnings per share of \$5.45, surpassing estimates. The stock has a price objective of \$285.44 and closed today at \$225.98, down \$16.18 or 6.68%

### Key Economic Data:

- **Case-Shiller Home Price Index National:** rose to 309.40, up from 306.63 last month, up 0.90%.
- **Case-Shiller Composite 20 Home Price Index YoY:** rose to 2.18%, compared to 0.12% last month.

- **Canada Real GDP MoM:** rose to 0.04%, compared to -0.01% last month.
- **Germany Real GDP YoY:** fell -0.80%, compared to -0.40% last quarter.
- **Germany Real Retail Sales YoY:** fell -4.60%, compared to -1.90% last month.
- **Japan Unemployment Rate:** is unchanged at 2.70%, compared to 2.70% last month.
- **Japan Housing Starts YoY:** are at -6.84%, compared to -9.45% last month.

#### Eurozone Summary:

- **Stoxx 600** closed at 433.66, up 2.54 points or 0.59%.
- **FTSE 100** closed at 7,321.72, down 5.67 points or 0.08%.
- **Dax Index** closed at 14,810.34, up 93.80 points or 0.64%.

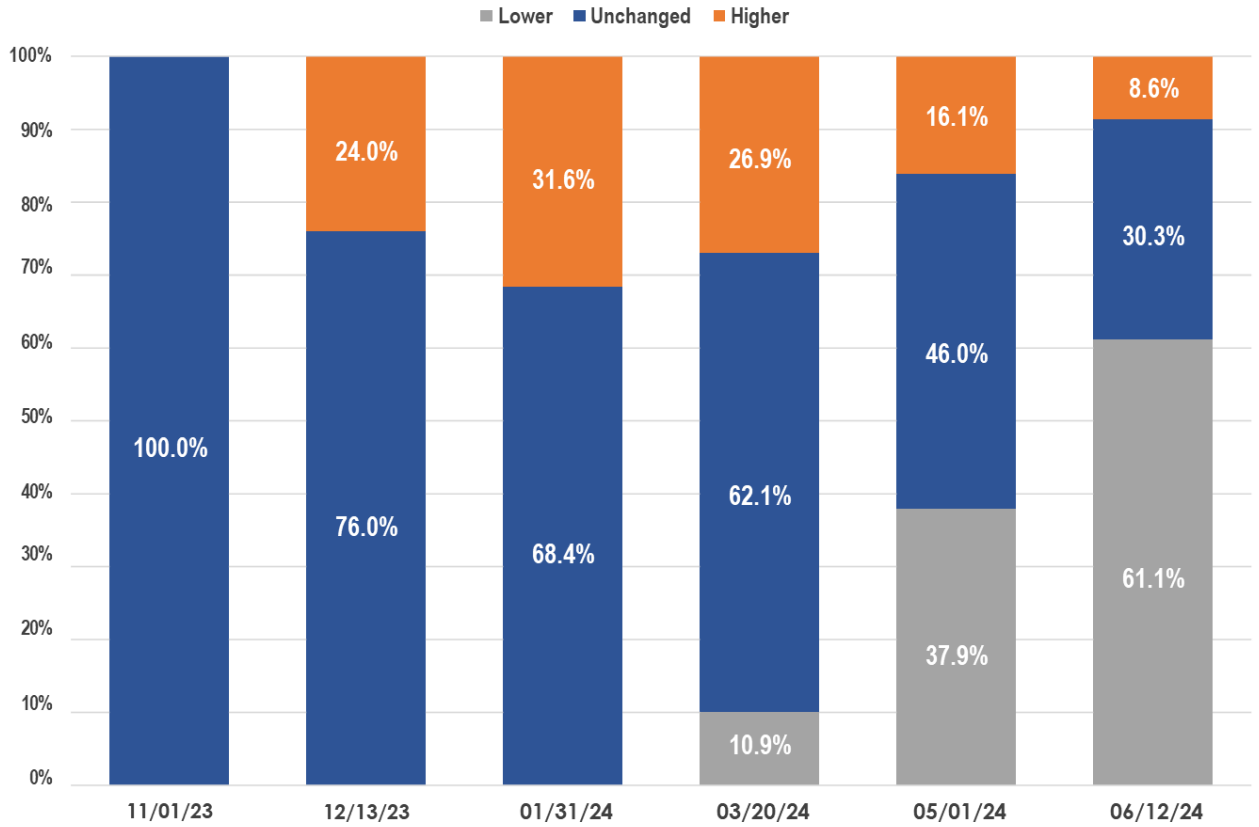
#### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,052.87, up 123.91 points or 0.38%.
- **S&P 500** closed at 4,193.80, up 26.98 or 0.65%.
- **Nasdaq Composite** closed at 12,851.24, up 61.76 or 0.48%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,641.17, up 0.64 points or 0.02%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,365.38, up 66.40 or 2.01%.
- **U.S. Treasury 10-year note** closed at 4.88%.
- **U.S. Treasury 2-year note market** closed at 5.07%.



## Target Fed Funds Rate Forecast by FOMC Meeting

Current target rate range = 5.25% - 5.50%





# Case Shiller Composite 20 Home Price Index, Case Shiller Home Price Index National Versus 30-Year Mortgage Rate

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- Case-Shiller Composite 20 Home Price Index YoY VAL 2.18%
- Case-Shiller Home Price Index: National 309.40
- 30 Year Mortgage Rate 7.79%

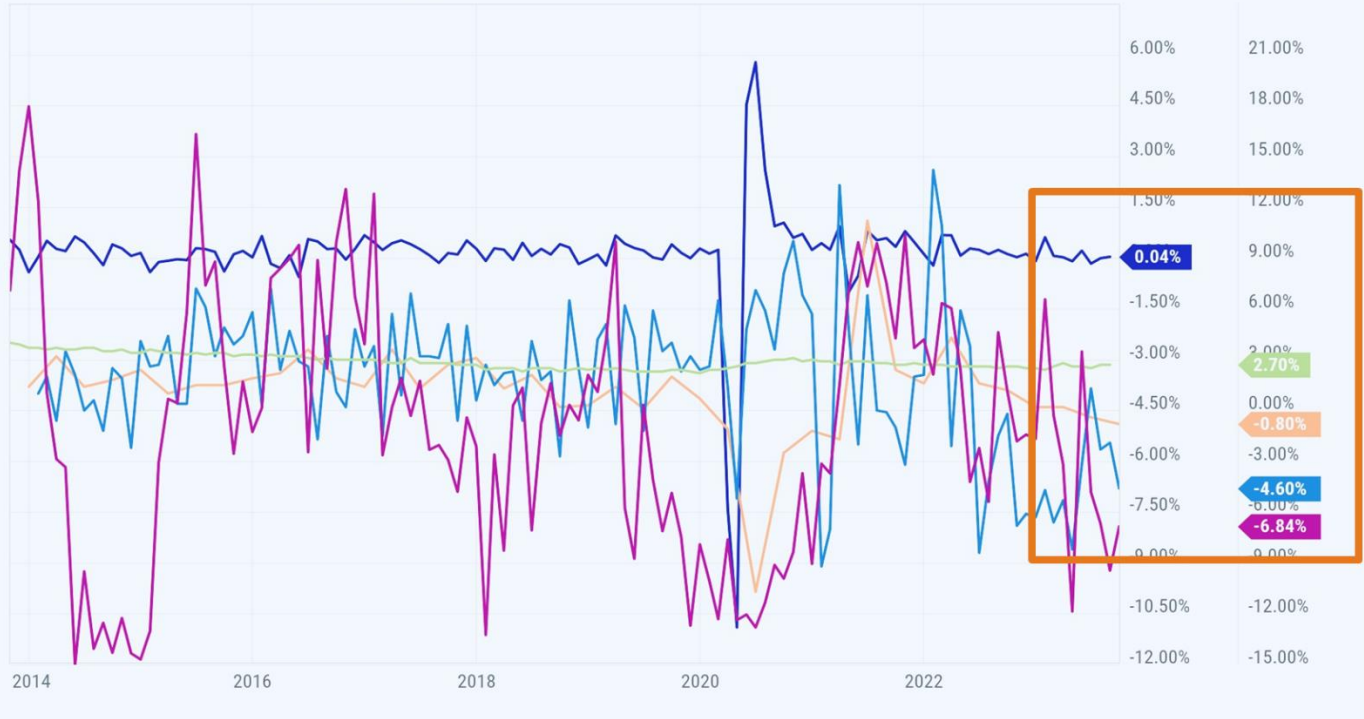




# Canada GDP, Germany GDP YoY, Germany Retail Sales, Japan Unemployment Rate & Japan Housing Starts

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	VAL
● Canada Real GDP MoM (I:CRGDPSMP)	0.04%
● Germany Real GDP YoY (I:GGDPGUQ)	-0.80%
● Germany Real Retail Sales YoY (I:GCRRS)	-4.60%
● Japan Unemployment Rate (I:JURBS)	2.70%
● Japan Housing Starts YoY (I:JCHS)	-6.84%





# Wall Street Recap

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