

Bank of America earnings rose 14%, Goldman Sachs fell 18%, and Wall Street closed mixed.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. & European stock markets closed the session with mixed results, amid a mixture of corporate earnings results, some beating estimates while others disappointed investors. Today Johnson & Johnson and Bank of America reported earnings that exceeded estimates. While Goldman Sachs missed earnings estimates due to a 26% decrease in investment banking activity and a \$471 million write-down from its Marcus leading platform, we discuss the results below.

So far in this earnings season, we note that 8% of companies have reported, with the north of 83% reporting better-than-expected earnings surprise; this trend is ahead of the 73% in the last ten years.

The corporate earnings parade, which began with three of the largest banks, shows a strong level of consumer resiliency, a welcome sign. Later in the week, some tech giants will begin reporting starting with Netflix and Tesla, and tomorrow we look forward to Morgan Stanley.

GDPNow Update:

- The GDPNow for the first quarter of 2023 was updated on 4/18/23, unchanged at 2.50% GDP.

Corporate Earnings Parade:

- **Bank of America (BAC):** reported 1Q23 revenues of \$26.3 billion, up 7%, and net income of \$8.2 billion, increasing 14%, which beat estimates. The earnings per share were \$0.94, beating the forecast of \$0.825. The stock closed at \$30.55, up \$0.18 or 0.59%, with a price objective of \$35.88.
- **Goldman Sachs (GS):** reported 1Q23 revenues of \$12.22 billion, down 5%, and net income of \$3.234 billion, down 18%, missing estimates. The earnings per share were \$8.79, beating the forecast of \$8.059. The stock closed at \$334.11, down \$5.57 or 1.64%, with a price objective of \$385.47.

Key Economic Data:

- **U.S. Housing Starts:** fell to 1.42 million, down from 1.432 million last month, decreasing -0.84%.
- **U.S. Building Permits:** fell to 1.413 million, down from 1.55 million last month, dropping -8.84%.
- **N.Y. Fed Business Leaders Survey Current Business Activity:** is at -9.80, up from -10.10 last month.
- **Canada Consumer Price Index YoY:** fell to 4.30%, compared to 5.25% last month.
- **Canada Core Consumer Price Index MoM:** fell to 0.27%, compared to 0.34% last month.
- **Canada Inflation Rate:** fell to 4.30%, compared to 5.25% last month.

- **ZEW Indicator of Economic Sentiment for Germany:** fell to 4.10, down from 13.00 last month, decreasing -68.46% from last month.
- **UK ILO Unemployment Rate:** rose to 3.90%, compared to 3.80% last month.

Puerto Rico COVID-19 Update:

- Daily Cases: 54
- Positivity Rate: 11.48%
- Hospitalizations: 86
- Deaths: 2
- Source P R. Department of Health.

Eurozone Summary:

- Stoxx 600 closed at 468.49, up 1.65 points or 0.35%.
- FTSE 100 closed at 7,909.44, up 29.93 points or 0.38%.
- Dax Index closed at 15,882.67, up 83.14 points or 0.50%.

Wall Street Summary:

- Dow Jones Industrial Average closed at 33,976.63, down 10.55 or 0.03%.
- S&P 500 closed at 4,154.87, up 3.55 points or 0.08%.
- Nasdaq Composite closed at 12,153.41, down 4.31 points or 0.04%.
- Birling Capital Puerto Rico Stock index closed at 2,366.06, up 41.15 points or 1.77%.
- Birling Capital U.S. Bank Stock Index closed at 3,785.76, up 73.31 points or 1.97%.
- U.S. Treasury 10-year note closed at 3.58%.
- U.S. Treasury 2-year note closed at 4.18%.



Bank of America & Goldman Sachs

YTD Stock Returns

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- The Goldman Sachs Group Inc Price % Change
- Bank of America Corp Price % Change





GDPNow 4.18.23

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Date	GDPNow 1Q23	Change
1/27/2023	0.70%	Initial Forecast
2/1/2023	2.10%	66.67%
2/8/2023	2.20%	4.55%
2/15/2023	2.40%	8.33%
2/16/2023	2.50%	4.00%
2/24/2023	2.70%	7.41%
2/27/2023	2.80%	3.57%
3/1/2023	2.30%	-21.74%
3/7/2023	2.00%	-15.00%
3/8/2023	2.60%	23.08%
3/15/2023	3.20%	18.75%
3/16/2023	1.50%	-113.33%
3/24/2023	3.20%	53.13%
3/31/2023	2.50%	-28.00%
4/3/2023	1.70%	-47.06%
4/5/2023	1.50%	-13.33%
4/10/2023	2.20%	31.82%
4/14/2023	2.50%	12.00%
4/18/2023	2.50%	0.00%



US Housing Starts, US Building Permits, NY Fed Business Leaders Survey, Canada CPI, Canada Inflation, ZEW Indicator Germany, & UK ILO Unemployment Rate

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- US Housing Starts
- US Building Permits
- NY Fed Business Leaders Survey Current Business Activity
- Canada Consumer Price Index YoY
- Canada Inflation Rate
- ZEW Indicator of Economic Sentiment for Germany
- UK ILO Unemployment Rate: Aged 16-64





Wall Street Recap

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