



## The CPI Data with Top U.S. Banks' Q4 Earnings to Shape Market Sentiment and U.S. Economic Outlook and Wall Street Rises.

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

The U.S. and European stock markets closed the session with mixed results as investors seem to be on a holding pattern ahead of the CPI data tomorrow and the beginning of the corporate earnings parade on Friday when four of the top six U.S. Banks report their fourth-quarter results.

During the session, in a late rally, all indexes rose handsomely, with the Dow Jones leading with 170.57 points, followed by the Nasdaq Composite with 111.94 points and the S&P 500 with 26.95 points.

Investors are focusing on inflation and its consequences on the timing of Fed rate cuts; currently, Inflation Nowcasting has the CPI at 3.32% and Core CPI at 3.93%, which trends upwards compared to last month's CPI of 3.14%. However, the path has been difficult, as noted in the previous six months of CPI readings.

1. November 2023 3.14%
2. October 2023 3.24%
3. September 2023 3.70%
4. August 2023 3.67%
5. July 2023 3.18%
6. June 2023 2.97%

We expect the core inflation to fall to around 2.5% during 2024, allowing the Fed to pivot to a relaxed stance.

This Friday, January 12, four of the six Top U.S. Banks and members of the Birling Capital U.S. Bank Index are due to report their fourth-quarter earnings, and they include:

1. JP Morgan Chase has an EPS Estimate of \$3.611
2. Citigroup has an EPS Estimate of \$0.7620
3. Bank of America has an EPS Estimate of \$0.6544
4. Wells Fargo has an EPS Estimate of \$1.082

Investors await these results, and they offer both an outlook of the economy's health and a view of the road ahead. The U.S. Economic progress and resilience have helped corporate profits hold up better than expected despite cost pressures and high borrowing costs. That said, corporate profits declined about 6% in nominal terms last year, and expectations are that earnings will reaccelerate this year, which should support the broader market outlook with rising valuations.

### GDPNow Update:

- The GDPNow for the fourth quarter was updated today unchanged at 2.20% GDP, from 2.20% GDP.

### Key Economic Data:

- **U.S. Wholesale Inventories MoM:** is at -0.18%, compared to -0.27% last month.

### Eurozone Summary:

- **Stoxx 600** closed at 476.42, down 0.89 points or 0.18%.
- **FTSE 100** closed at 7,651.76, down 32.20 points or 0.48%.
- **Dax Index** closed at 16,689.81, up 1.45 points or 0.0087%.

### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,695.73, up 170.57 points or 0.45%
- **S&P 500** closed at 4,783.45, up 26.95 points or 0.57%.
- **Nasdaq Composite** closed at 14,843.77, up 111.94 points or 0.75%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,238.70, down 45.89 points or 1.39%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,381.62, down 55.00 points or 1.24%.
- **U.S. Treasury 10-year note** closed at 4.04%.
- **U.S. Treasury 2-year note market** closed at 4.37%.



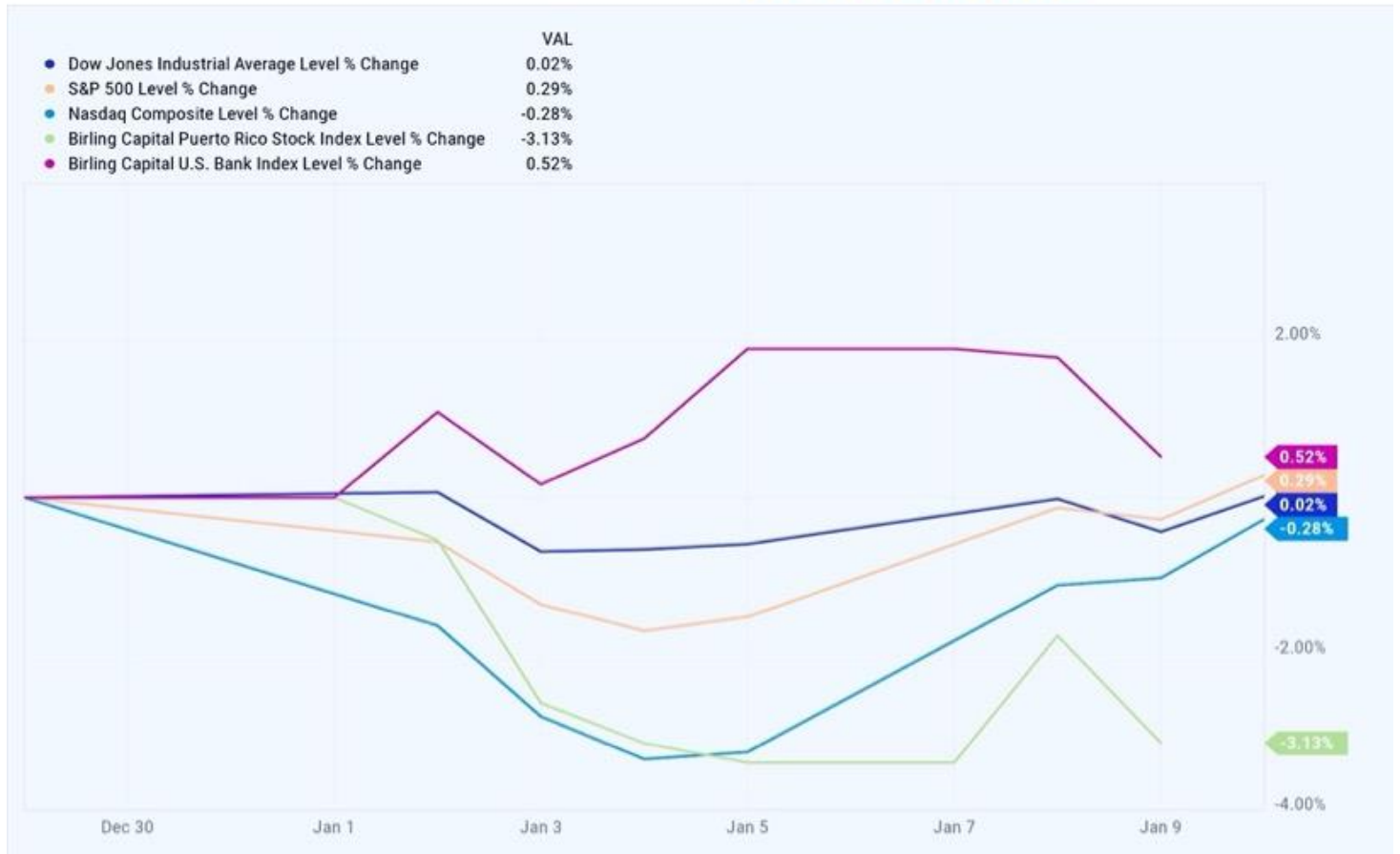
## GDPNow 4Q23

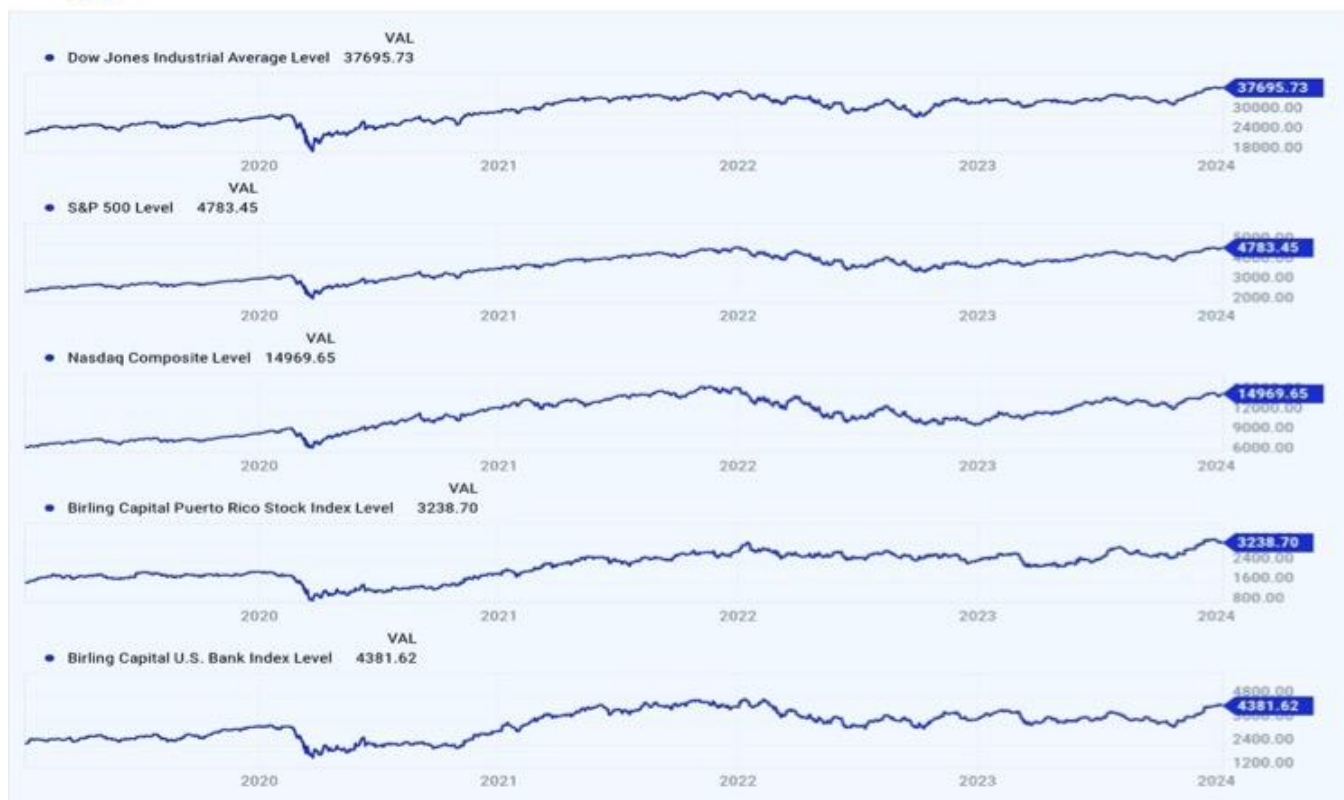
Date	GDPNow 4Q23	Change
10/27/23	2.30%	Initial Forecast
11/1/23	1.20%	-47.8%
11/7/23	2.10%	42.9%
11/8/23	2.10%	0.0%
11/15/23	2.20%	4.5%
11/17/23	2.00%	-9.1%
11/22/23	2.10%	4.8%
11/30/23	1.80%	-16.7%
12/1/23	1.20%	-50.0%
12/6/23	1.30%	7.7%
12/7/23	1.20%	-8.3%
12/14/23	2.60%	53.8%
12/19/23	2.70%	3.7%
12/22/23	2.30%	-17.4%
1/2/24	2.00%	-15.0%
1/3/24	2.50%	20.0%
1/9/24	2.20%	-13.6%
1/10/24	2.20%	0.0%



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## Dow Jones, S&P 500, Nasdaq Composite, Birling P.R. Stock Index & Birling U.S. Bank 2024 YTD Returns





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