

## United Airlines and Johnson & Johnson Earnings Take Center Stage, Personal Consumption Expenditures (PCE) and U.S. GDP Figures for Q4 2023 on deck.

January 23, 2024

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

The U.S. and European stock markets closed the session with mixed results and light economic data, allowing corporate earnings to be the main event today which some were weaker than expected affecting the market; we highlight United Airlines and Johnson and Johnson.

European markets closed lower while Asian markets were mostly higher, led by the Bank of Japan's interest-rate decision, which left the policy rate unchanged.

Investors look forward to Friday's reading of the Personal Consumption Expenditures (PCE) and the U.S. GDP for the fourth quarter of 2023. The latest Inflation Nowcasting has the PCE at 2.70% and Core PCE at 3.02%, while the GDPNow has the fourth quarter GDP at 2.40%.

Both metrics will be the last piece of data before the Fed's meeting on January 31, so a lot is riding on these readings.

The current consensus estimates point that the Fed is to hold rates at their current levels, and the late rate cut expectation has fallen from 75% to 60% by the March 20 Fed meeting. Our firm belief is that rates should begin trending down before the end of the first quarter to avert further economic deterioration.

### Corporate Earnings Parade:

- **United Airlines Holdings, Inc. (UAL):** reported 4Q23 revenues of \$13.626 billion, up 19.5%, and Net Income of \$600 million, down 28.8%. United reached earnings per share of \$1.81, surpassing estimates with a stock price objective of \$60.40. United reported full-year 2023 revenues of \$56.717 billion and net Income of \$2.618 billion.
- **Johnson & Johnson (JNJ):** reported 4Q23 revenues of \$21.395 billion, up 7.3%, and Net Income of \$4.132 billion, up 28%, reached earnings per share of \$1.70, beating estimates with a stock price objective of \$174.68. JNJ reported full-year 2023 revenues of \$85.159 billion and net Income of \$13.626 billion. JNJ announced that it will pay \$700 million to settle a probe by over 40 U.S. states into marketing its talc-based baby powder.

### Key Economic Data:

- **Richmond Fed Manufacturing Index:** is currently at -15.00, down from -11.00 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 96.40, up from 94.00 last month, up 2.55%.
- **Eurozone Consumer Confidence Indicator:** is currently at -15.00, up from -16.90 last month.
- **Japan Short Term Policy Rate:** is unchanged at -0.10%, compared to -0.10%.

### Eurozone Summary:

- **Stoxx 600** closed at 471.69, down 1.17 points or 0.25%.
- **FTSE 100** closed at 7,485.73, down 1.98 points or 0.026%.
- **Dax Index** closed at 16,627.09, down 56.27 points or 0.34%.

### Wall Street Summary:

- **Dow Jones Industrial Average** closed at 37,905.45, down 96.16 points or 0.25%
- **S&P 500** closed at 4,864.60, up 14.17 points or 0.29%.
- **Nasdaq Composite** closed at 15,425.94, up 65.66 points or 0.43%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,292.22, up 76.12 points or 2.37%.
- **Birling Capital U.S. Bank Stock Index** closed at 4,290.56, up 41.07 points or 0.97%.
- **U.S. Treasury 10-year note** closed at 4.14%.
- **U.S. Treasury 2-year note** closed at 4.31%.



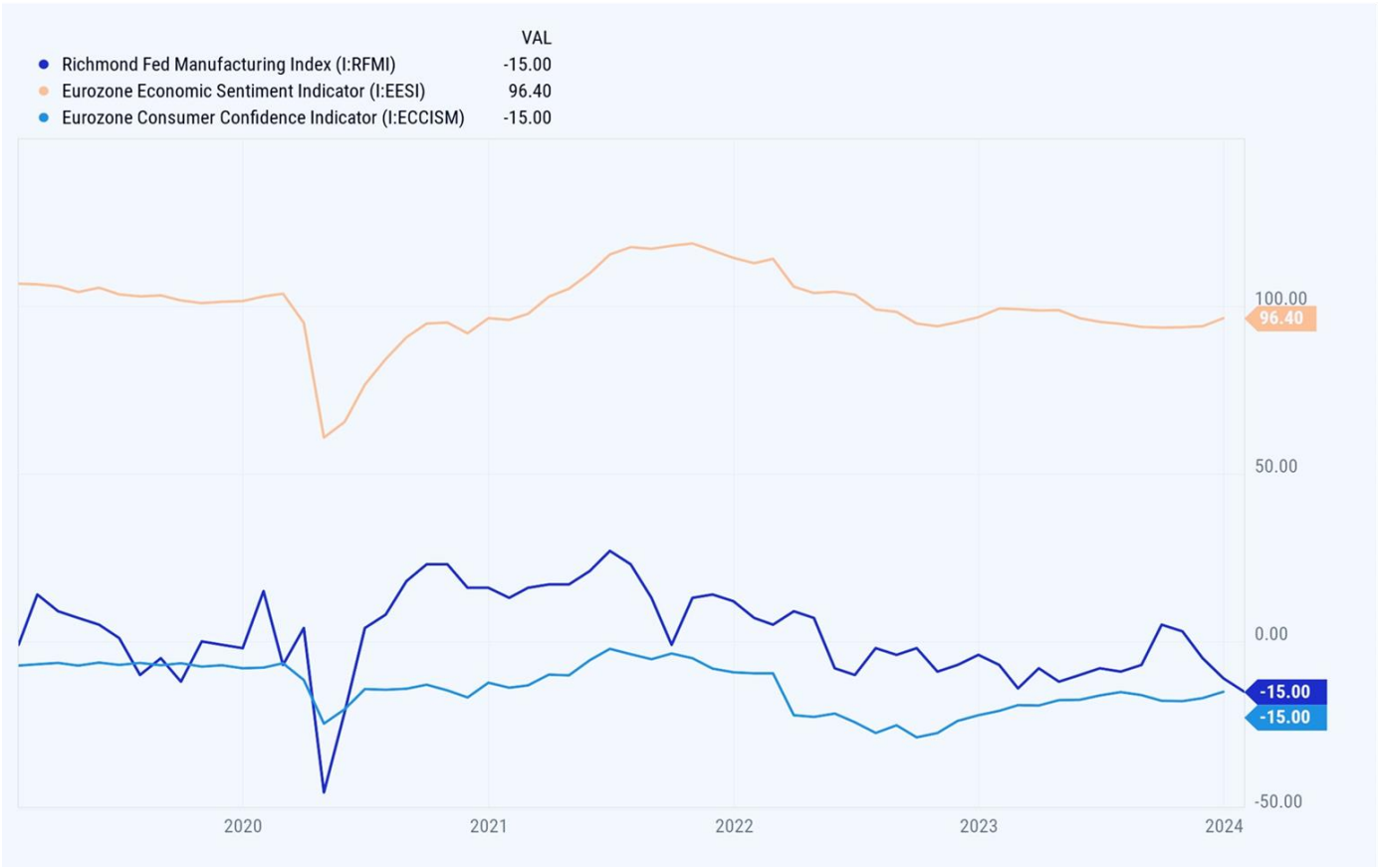
## Inflation Nowcasting PCE & Core PCE Forecast

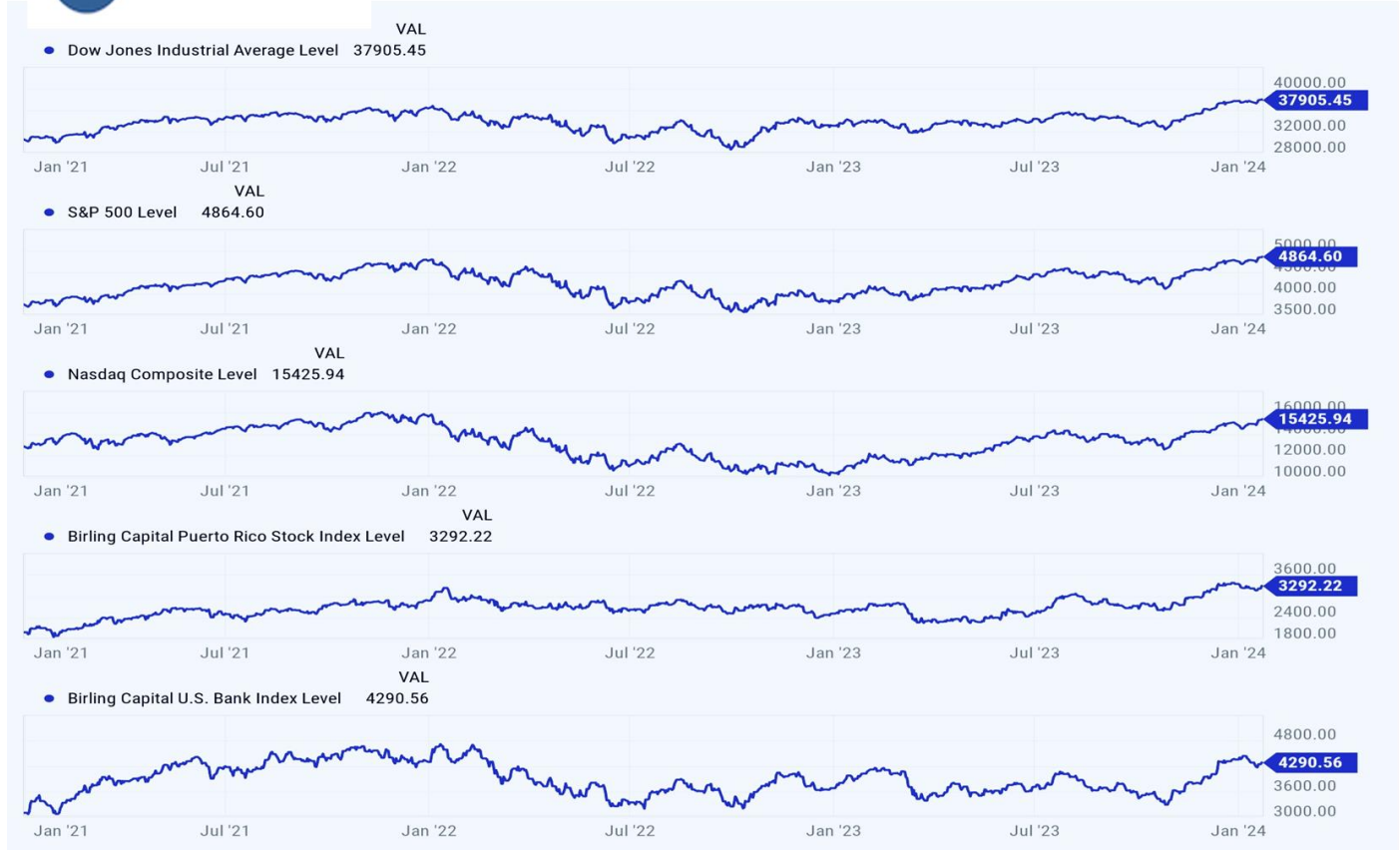
[www.birlingcapital.com](http://www.birlingcapital.com)

Inflation Nowcasting	PCE Forecast	Core PCE Forecast
December	2.70%	3.02%



# Richmond Fed Manufacturing, Eurozone Economic Sentiment Indicator and Eurozone Consumer Confidence Indicator





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.