

# GLOBAL MARKET SQUARE



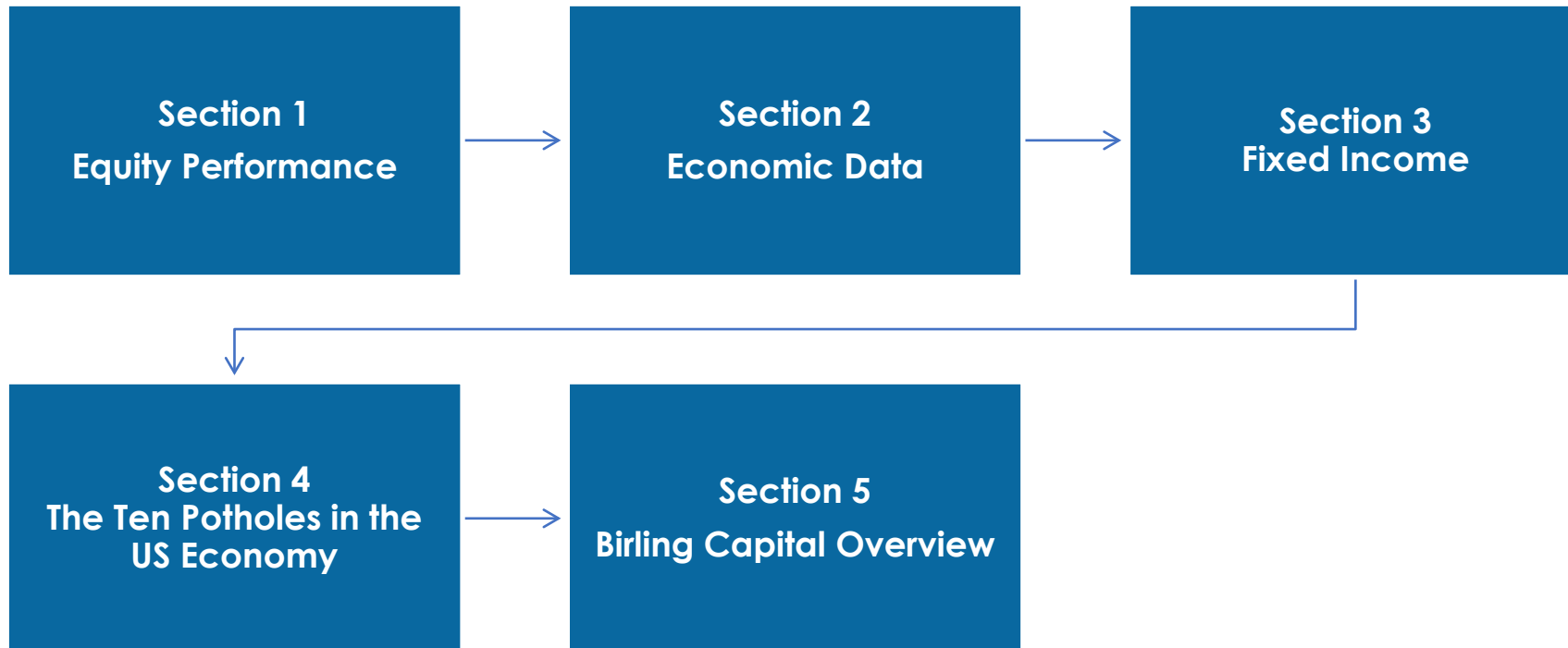
**BIRLING**  
CAPITAL ADVISORS, LLC

**Monthly Market Wrap-Up**

**April 2023 published on May 2, 2023**

# Index

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# Section 1 : Equity Performance

Charts and Tables Highlighting the  
Performance of Stock Market  
Indicators and Asset Classes over the  
Latest Quarter





# Key Stock Market Index Performance

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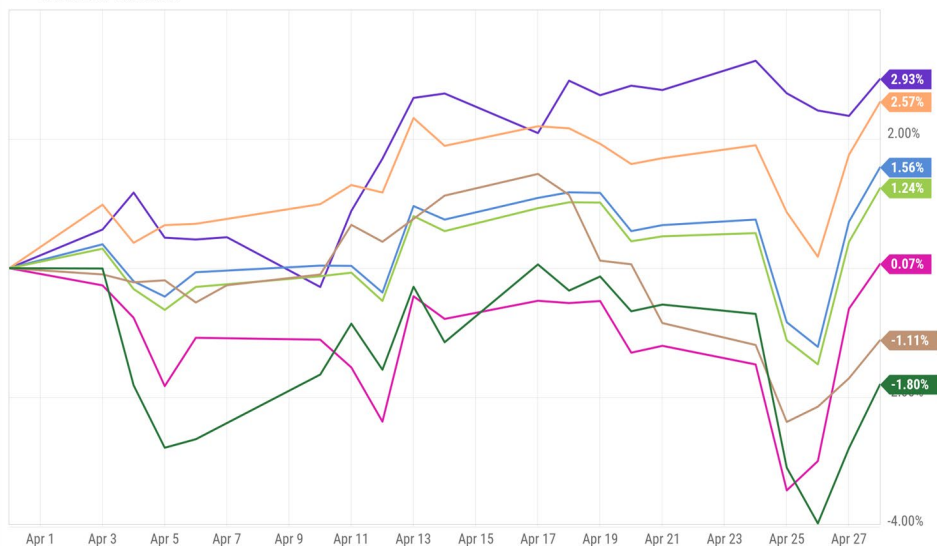


## April 2023:

Dow, Int'l Developed Markets lead indices

### Major Index Returns

- MSCI EAFE Total Return
- Dow Jones Industrial Average Total Return
- S&P 500 Total Return
- Russell 1000 Total Return
- Nasdaq Composite Total Return
- MSCI Emerging Markets Total Return
- Russell 2000 Total Return



Date Range: 03/31/2023 - 04/28/2023

## Trailing Twelve Months (TTM):

Dow & Int'l Developed Markets lead, NASDAQ turns positive

### Major Index Returns

- MSCI EAFE Total Return
- Dow Jones Industrial Average Total Return
- S&P 500 Total Return
- Russell 1000 Total Return
- Nasdaq Composite Total Return
- Russell 2000 Total Return
- MSCI Emerging Markets Total Return



Date Range: 04/29/2022 - 04/28/2023

# Value vs. Growth Performance

**April 2023:**

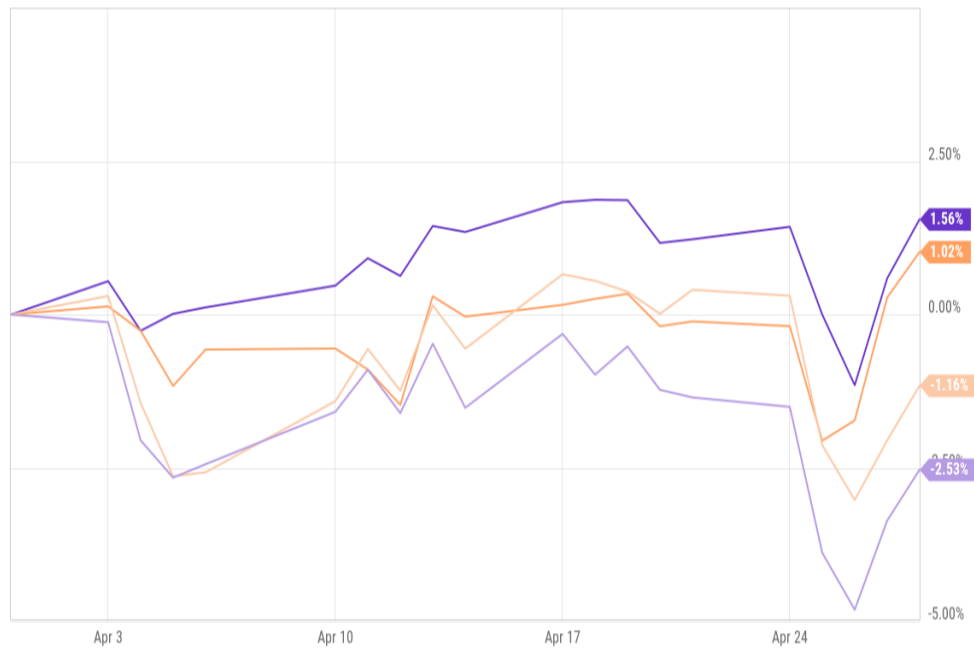
Large-cap styles lead, Small-cap styles lag

**Trailing Twelve Months (TTM):**

Large-cap Value, Large-cap Growth, and Small-cap Growth above water; Small-cap Value sinks further

Value vs. Growth Performance, Trailing Twelve Months

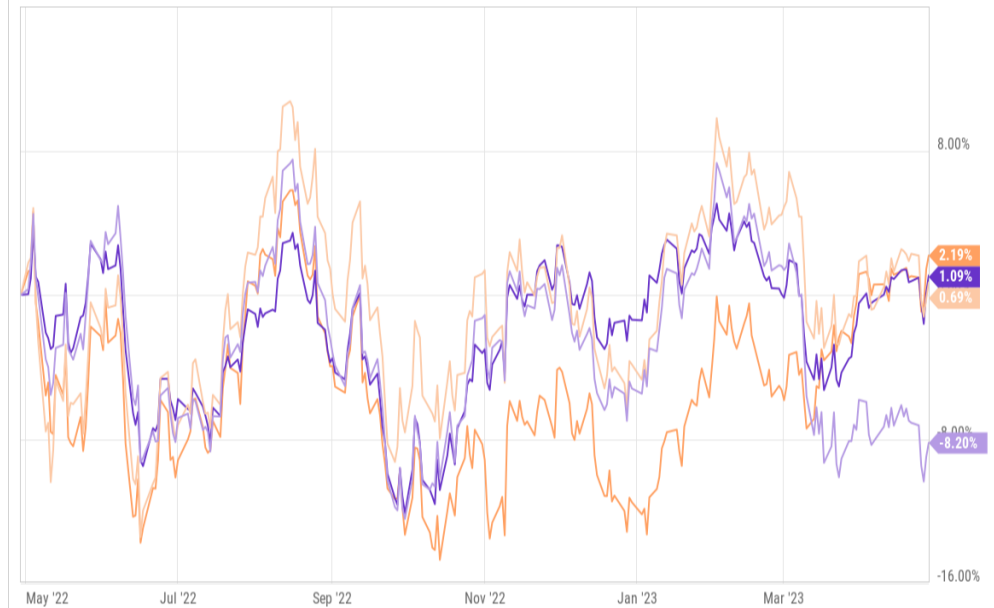
- iShares Russell 1000 Value ETF (IWD) Total Return
- iShares Russell 1000 Growth ETF (IWG) Total Return
- iShares Russell 2000 Growth ETF (IWO) Total Return
- iShares Russell 2000 Value ETF (IWN) Total Return



Date Range: 03/31/2023 - 04/28/2023

Value vs. Growth Performance, Trailing Twelve Months

- iShares Russell 1000 Growth ETF (IWG) Total Return
- iShares Russell 1000 Value ETF (IWD) Total Return
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Date Range: 04/29/2022 - 04/28/2023



# Domestic Sector Performance

**April 2023:**

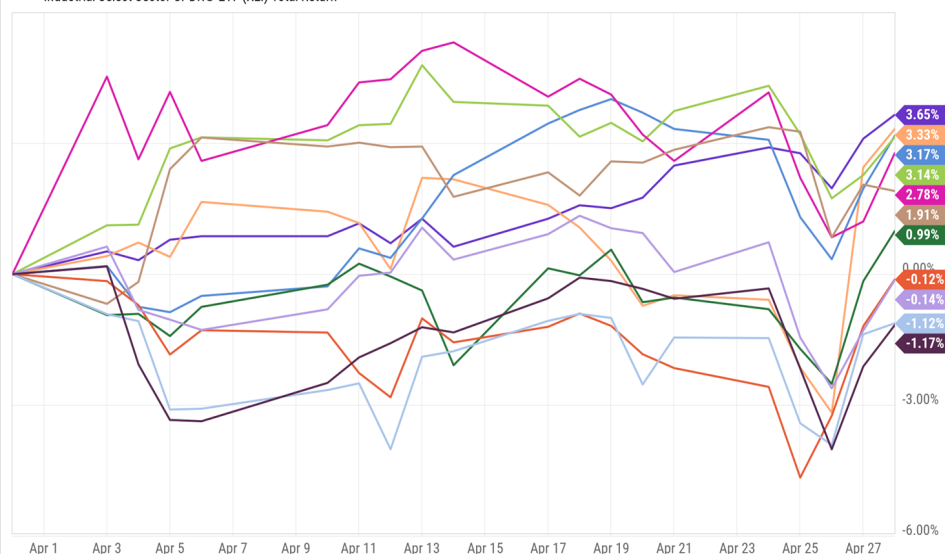
“Defensive” sectors rise, “Cyclical” sectors slump

**Trailing Twelve Months (TTM):**

Energy continues to outpace all sectors;  
Real Estate down 16.1%

## Sector Movement

- Consumer Staples Select Sector SPDR® ETF (XLP) Total Return
- Communication Services Sel Sect SPDR®ETF (XLC) Total Return
- Financial Select Sector SPDR® ETF (XLF) Total Return
- Health Care Select Sector SPDR® ETF (XLV) Total Return
- Energy Select Sector SPDR® ETF (XLE) Total Return
- Utilities Select Sector SPDR® ETF (XLU) Total Return
- Real Estate Select Sector SPDR® (XLRE) Total Return
- Technology Select Sector SPDR® ETF (XLK) Total Return
- Materials Select Sector SPDR® ETF (XLB) Total Return
- Consumer Discret Sel Sect SPDR® ETF (XLY) Total Return
- Industrial Select Sector SPDR® ETF (XLI) Total Return



Date Range: 03/31/2023 - 04/28/2023

## Sector Movement

- Energy Select Sector SPDR® ETF (XLE) Total Return
- Technology Select Sector SPDR® ETF (XLK) Total Return
- Industrial Select Sector SPDR® ETF (XLI) Total Return
- Health Care Select Sector SPDR® ETF (XLV) Total Return
- Communication Services Sel Sect SPDR®ETF (XLC) Total Return
- Consumer Staples Select Sector SPDR® ETF (XLP) Total Return
- Utilities Select Sector SPDR® ETF (XLU) Total Return
- Financial Select Sector SPDR® ETF (XLF) Total Return
- Materials Select Sector SPDR® ETF (XLB) Total Return
- Consumer Discret Sel Sect SPDR® ETF (XLY) Total Return
- Real Estate Select Sector SPDR® (XLRE) Total Return



Date Range: 04/29/2022 - 04/28/2023



## Best-Performing S&P 500 Stocks of the Month

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Ticker	Name	Apr Price Returns	YTD Price Returns	Industry	Sector
CMG	Chipotle Mexican Grill	▲ 21.0%	▲ 49.0%	Restaurants	Consumer Cyclical
UHS	Universal Health Services	▲ 18.3%	▲ 6.7%	Medical Care Facilities	Healthcare
ISRG	Intuitive Surgical	▲ 17.9%	▲ 13.5%	Medical Instruments & Supplies	Healthcare
BAX	Baxter International	▲ 17.6%	▼ -6.5%	Medical Instruments & Supplies	Healthcare
LLY	Eli Lilly and Co	▲ 15.3%	▲ 8.2%	Drug Manufacturers - General	Healthcare
PHM	PulteGroup	▲ 15.2%	▲ 47.5%	Residential Construction	Consumer Cyclical
TAP	Molson Coors Beverage	▲ 15.1%	▲ 15.5%	Beverages - Brewers	Consumer Defensive
META	Meta Platforms	▲ 13.4%	▲ 99.7%	Internet Content & Information	Communication Services
MDT	Medtronic PLC	▲ 12.8%	▲ 17.0%	Medical Devices	Healthcare
ROL	Rollins	▲ 12.6%	▲ 15.6%	Personal Services	Consumer Cyclical

## Best-Performing Bank Stocks of the Month



Ticker	Name	Apr Price Returns	YTD Price Returns	Industry	Sector
JPM	JP Morgan Chase	▲ 6.21%	▲ 3.09%	Banks-Diversified	Financial Services
WFC	Wells Fargo & Co	▲ 5.36%	▼ - 3.73%	Banks-Diversified	Financial Services
GS	Goldman Sachs Group	▲ 5.18%	▲ 0.02%	Banks-Diversified	Financial Services
BPOP	Popular, Inc.	▲ 4.55%	▼ -9.51%	Banks-Regional	Financial Services
FBP	First Bancorp.	▲ 4.07%	▼ -7.63%	Banks-Regional	Financial Services
OFG	OFG Bancorp.	▲ 3.52%	▼ -7.22%	Banks-Regional	Financial Services
MS	Morgan Stanley	▲ 3.22%	▲ 5.82%	Banks-Diversified	Financial Services
BAC	Bank of America	▲ 2.41%	▼ -11.59%	Banks-Diversified	Financial Services
C	Citigroup, Inc	▲ 0.77%	▲ 4.07%	Banks-Diversified	Financial Services





# Worst-Performing S&P 500 Stocks of the Month

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Ticker	Name	Apr Price Returns	YTD Price Returns	Industry	Sector
FRC	First Republic Bank	▼ -74.9%	▼ -97.1%	Banks - Regional	Financial Services
CTLT	Catalent	▼ -23.7%	▲ 11.4%	Drug Manufacturers - Spec. & Generic	Healthcare
ENPH	Enphase Energy	▼ -21.9%	▼ -38.0%	Solar	Technology
TSLA	Tesla	▼ -20.8%	▲ 33.4%	Auto Manufacturers	Consumer Cyclical
DISH	DISH Network	▼ -19.5%	▼ -46.5%	Telecom Services	Communication Services
MKTX	MarketAxess Holdings	▼ -18.6%	▲ 14.2%	Capital Markets	Financial Services
VLO	Valero Energy	▼ -17.9%	▼ -9.6%	Oil & Gas Refining & Marketing	Energy
ALB	Albemarle	▼ -16.1%	▼ -14.5%	Specialty Chemicals	Basic Materials
FSLR	First Solar	▼ -16.1%	▲ 21.9%	Solar	Technology
TER	Teradyne	▼ -15.0%	▲ 4.6%	Semiconductor Equip. & Materials	Technology

# Asset Class Performance



YTD Total Return	1 month Total Return	3 month Total Return	6 month Total Return	1 year Total Return	3 year Total Return	5 year Total Return	10 year Total Return
US Growth 15.5%	World exUSA 2.9%	US Growth 6.6%	World exUSA 22.7%	World exUSA 7.7%	Commodities 34.5%	US Growth 13.8%	US Growth 14.5%
World exUSA 11.4%	S&P 500 1.6%	World exUSA 2.9%	Emerging Markets 16.5%	Muni Bonds 2.9%	S&P 500 14.5%	S&P 500 11.4%	S&P 500 12.2%
S&P 500 9.2%	US Value 1.5%	S&P 500 2.7%	US Growth 11.5%	S&P 500 2.7%	US Value 14.4%	US Value 7.7%	US Value 9.1%
Aggregate Bonds 3.6%	US Growth 1.0%	US Treasuries 1.0%	S&P 500 8.6%	US Growth 2.3%	US Growth 13.6%	US Real Estate 5.8%	US Small 7.9%
US Treasuries 3.6%	US Real Estate 0.9%	Aggregate Bonds 0.5%	Muni Bonds 7.6%	US Value 1.2%	World exUSA 12.6%	World exUSA 4.5%	US Real Estate 5.5%
Emerging Markets 2.9%	Aggregate Bonds 0.6%	Muni Bonds -0.3%	Aggregate Bonds 6.9%	Aggregate Bonds -0.4%	US Small 11.9%	US Small 4.2%	World exUSA 5.3%
Muni Bonds 2.5%	US Treasuries 0.5%	US Value -2.5%	US Treasuries 5.8%	US Treasuries -0.9%	US Real Estate 7.0%	Commodities 3.7%	Muni Bonds 2.2%
US Value 2.5%	Muni Bonds -0.2%	Emerging Markets -4.7%	US Value 4.5%	US Small -3.6%	Emerging Markets 4.7%	Muni Bonds 2.1%	Emerging Markets 2.2%
US Real Estate 2.5%	Commodities -0.8%	Commodities -5.6%	US Real Estate 3.8%	Emerging Markets -6.1%	Muni Bonds 0.7%	Aggregate Bonds 1.2%	Aggregate Bonds 1.3%
US Small 0.9%	Emerging Markets -1.1%	US Real Estate -6.8%	US Small -3.5%	US Real Estate -14.6%	Aggregate Bonds -3.1%	US Treasuries 1.0%	US Treasuries 0.9%
Commodities -5.7%	US Small -1.8%	US Small -8.1%	Commodities -8.6%	Commodities -15.1%	US Treasuries -4.2%	Emerging Markets -0.7%	Commodities -3.4%

Asset	Index
US Real Estate	Dow Jones US Real Estate Index Total Return
US Growth Stocks	Russell 1000 Growth Total Return
Commodities	S&P GSCI Total Return
US Small Cap	Russell 2000 Total Return
S&P 500	S&P 500 Total Return
US Value Stocks	Russell 1000 Value Total Return
World ex USA	MSCI World Ex USA Total Return
Emerging Markets	MSCI Emerging Markets Total Return
Aggregate Bonds	Barclays US Aggregate Total Return
Muni Bonds	Barclays Municipal Bond Total Return
US Treasuries	Barclays US Treasury Total Return



## Section 2 : Economic Data

Select charts and data highlighting the major economic events of the past month



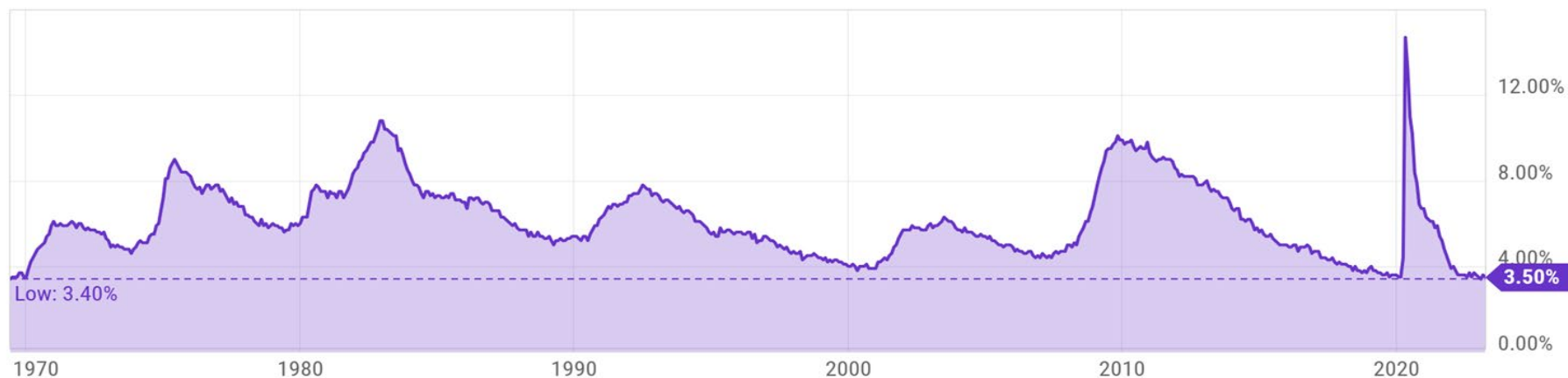


# Employment

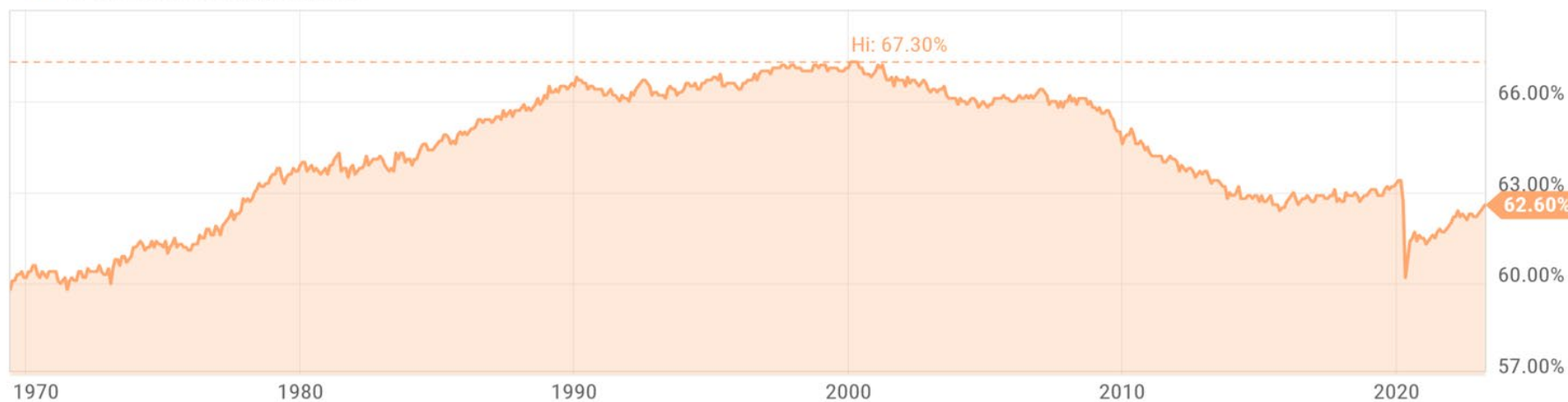
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● US Unemployment Rate



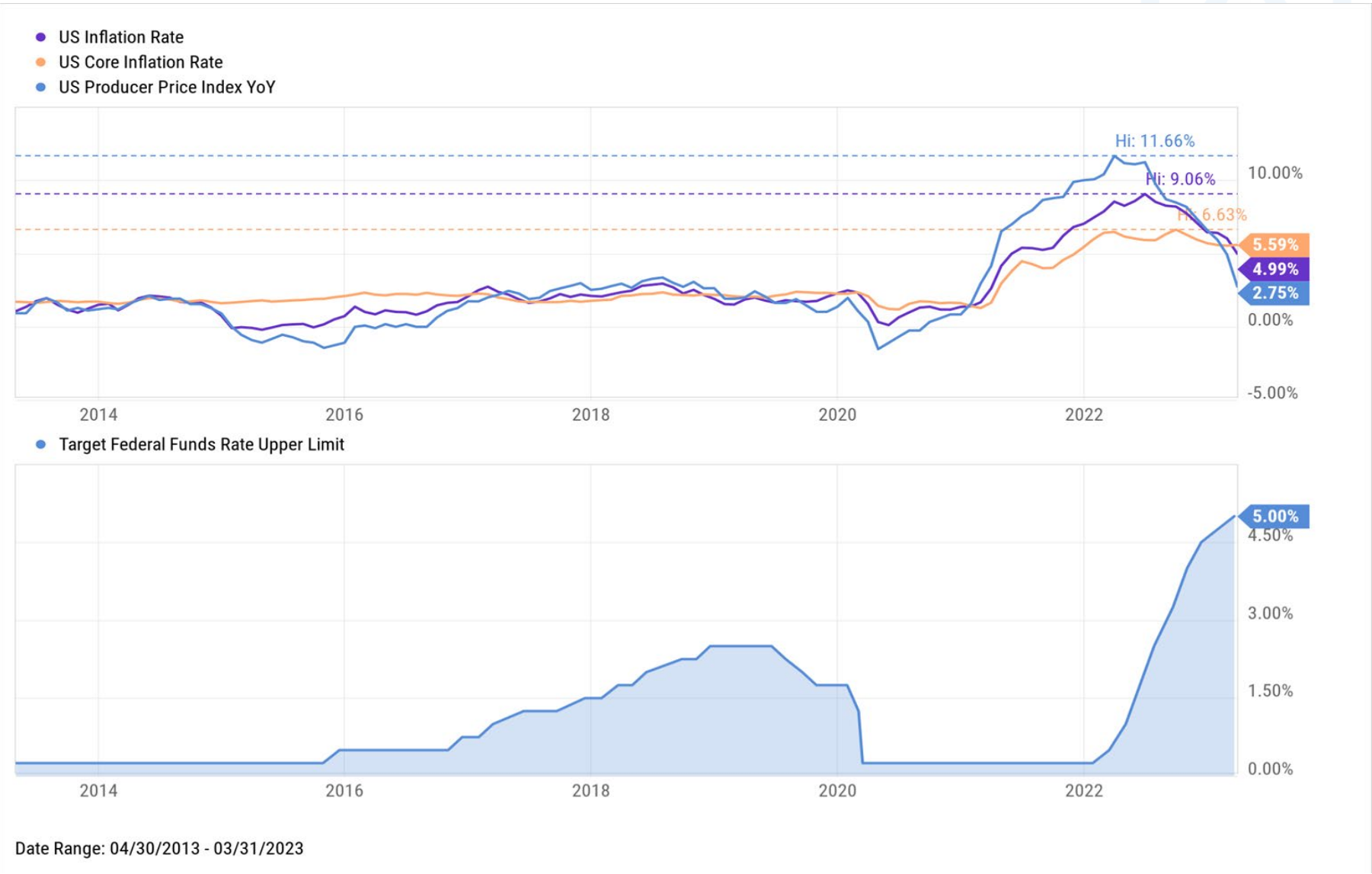
● US Labor Force Participation Rate



Date Range: 05/31/1969 - 03/31/2023

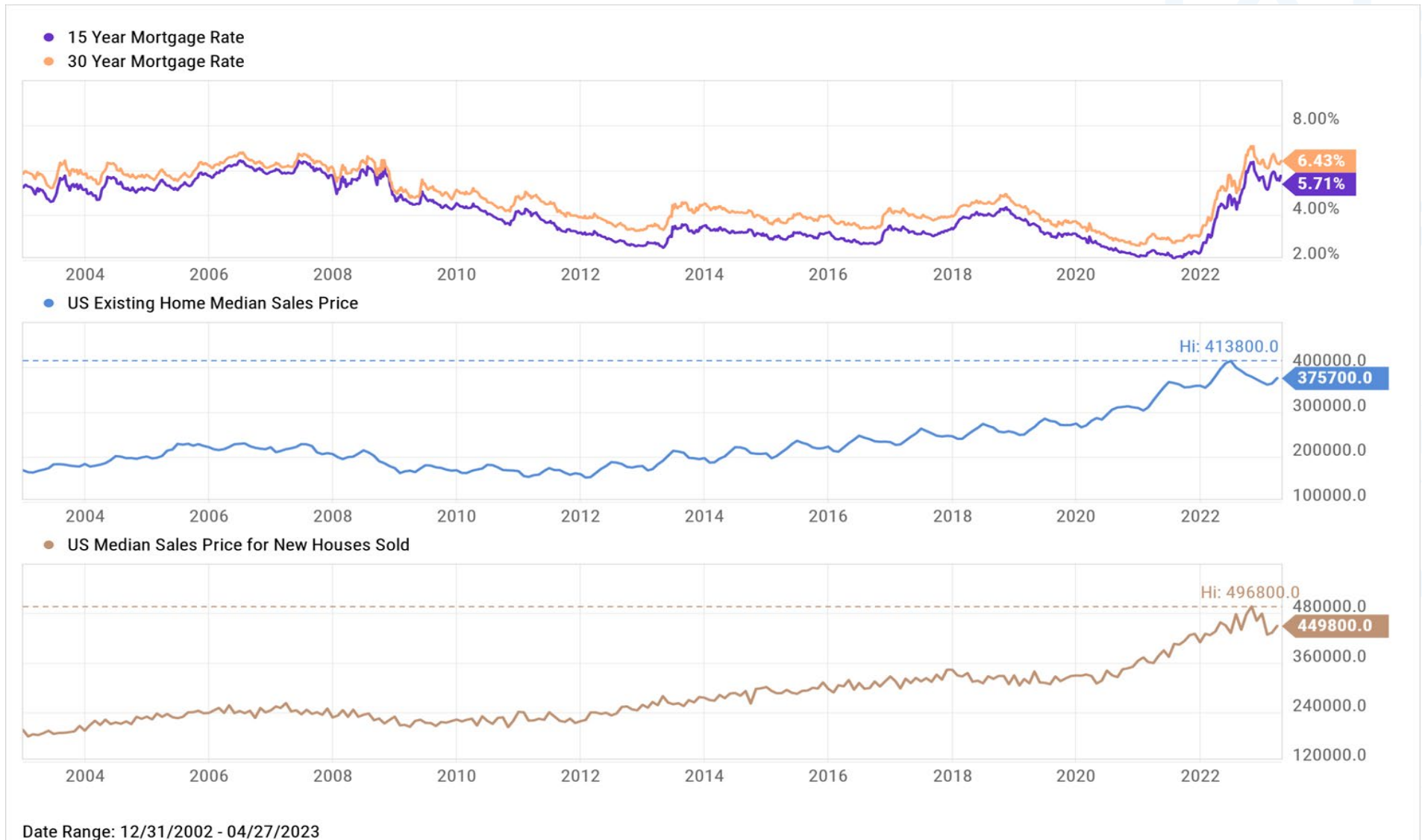


# Inflation vs. Fed Funds Rate



# Housing Prices and Mortgage Rates

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# Cryptocurrencies

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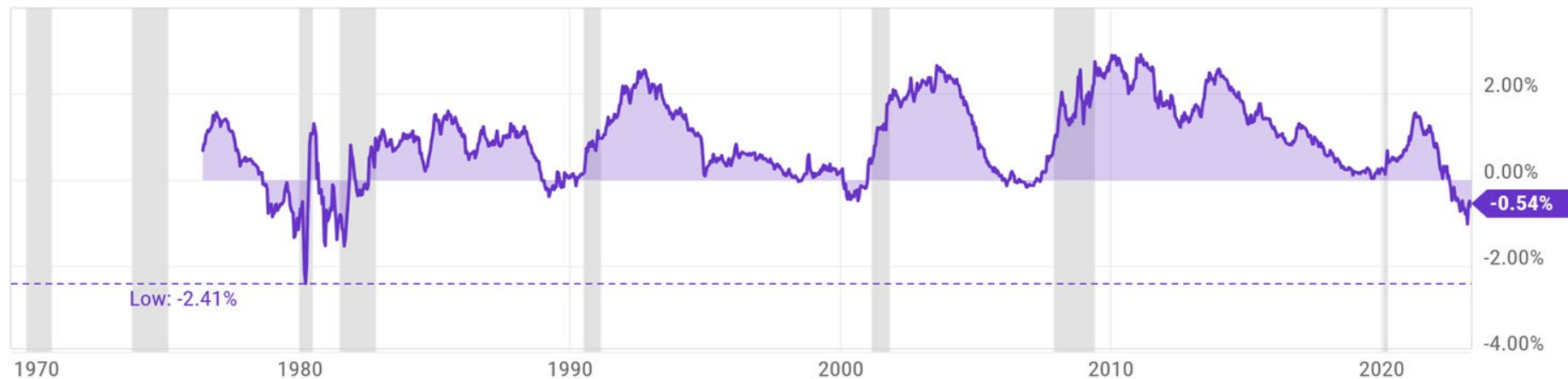


# Inverted Yield Spreads Recession?

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● 10-2 Year Treasury Yield Spread



● 10 Year-3 Month Treasury Yield Spread



Date Range: 04/30/1969 - 04/27/2023

Gray = US Recessions





# Section 3: Fixed Income

Featuring the US Treasury Yield Curve, plus  
Global and Corporate Bond Yield Data



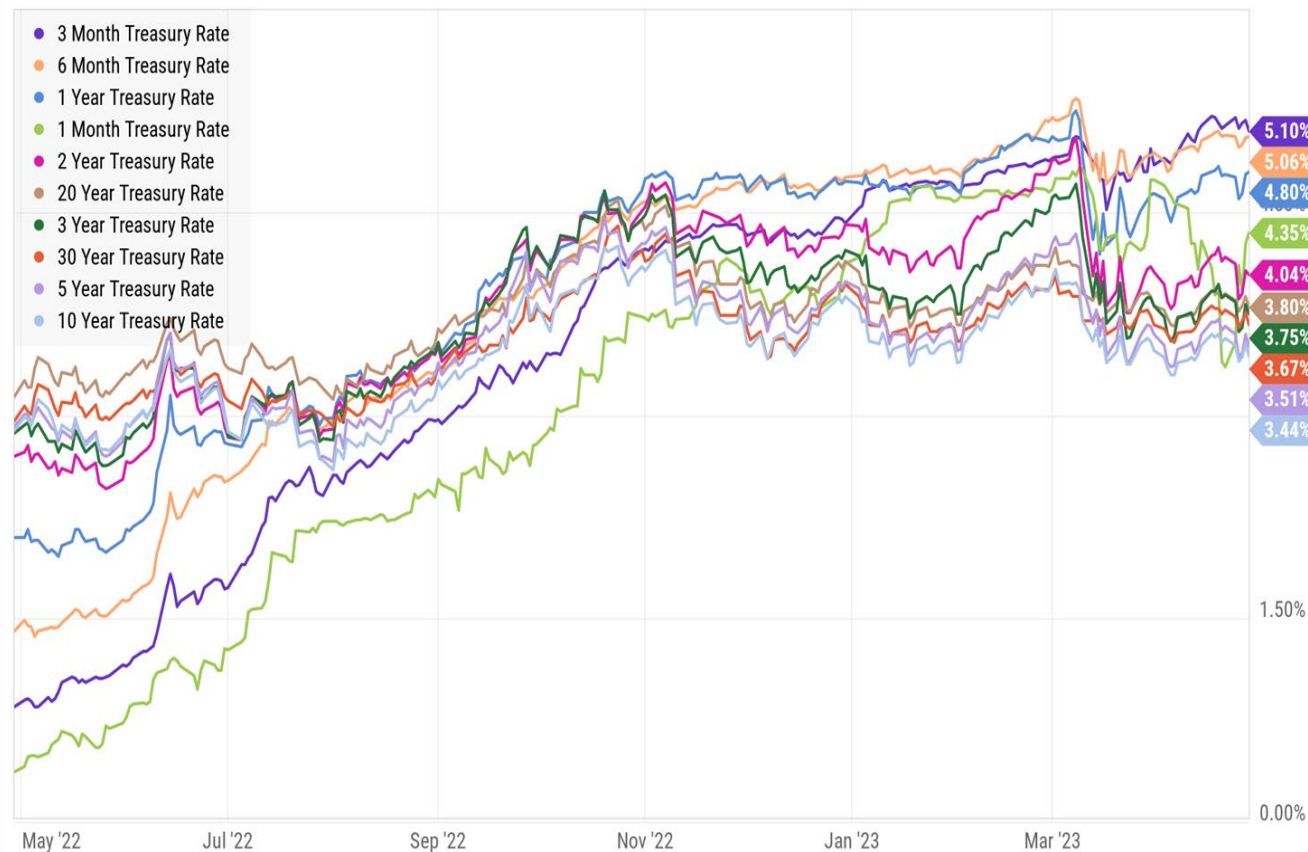
# US Treasury Yield Curve

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Duration	Rate	MoM Δ
1-Month	4.35%	▼ 39 bps
3-Month	5.10%	▲ 25 bps
6-Month	5.06%	▲ 12 bps
1-Year	4.80%	▲ 16 bps
2-Year	4.04%	▼ 2 bps
3-Year	3.75%	▼ 6 bps
5-Year	3.51%	▼ 9 bps
10-Year	3.44%	▼ 4 bps
20-Year	3.80%	▼ 1 bp
30-Year	3.67%	0 bps

US Treasury Yield Curve



Date Range: 04/29/2022 - 04/28/2023

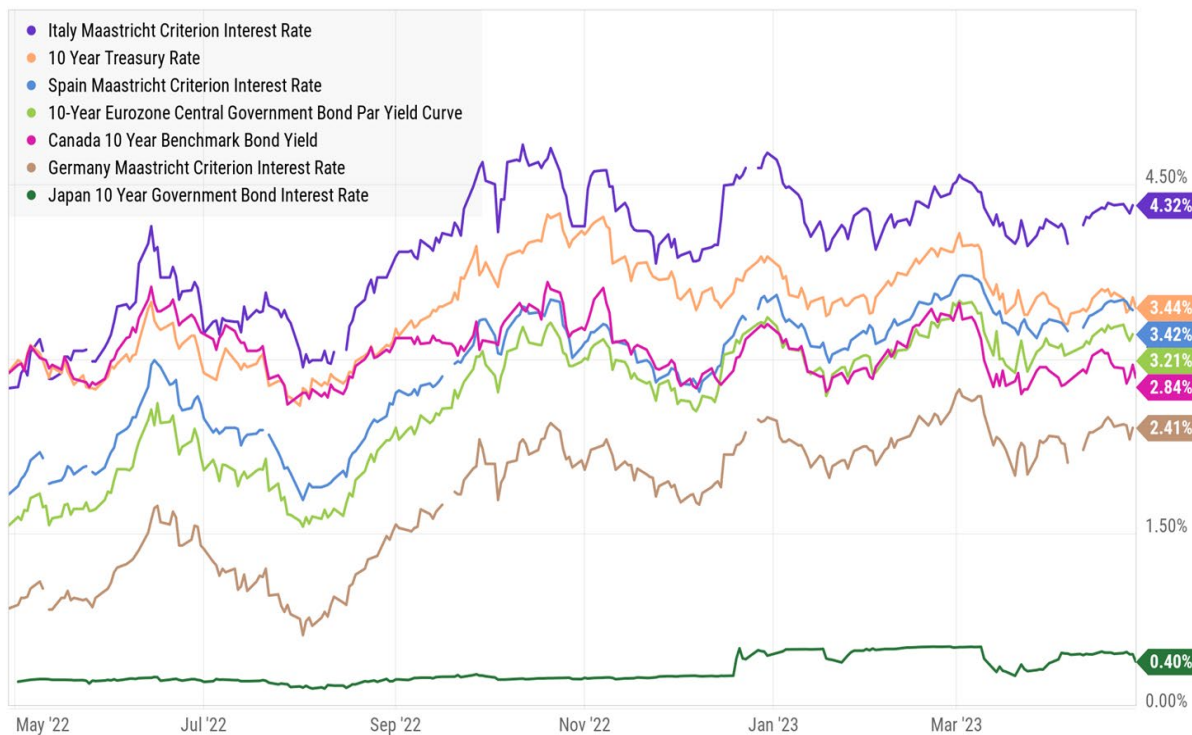
# Global Bond Yields

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Country	Rate	MoM Δ
Italy	4.32%	▲ 14 bps
US 10-yr	3.44%	▼ 4 bps
Spain	3.42%	▲ 8 bps
Eurozone	3.21%	▲ 9 bps
Canada	2.84%	▼ 6 bps
Germany	2.41%	▲ 7 bps
Japan	0.40%	▲ 1 bp

Global Bond Yields



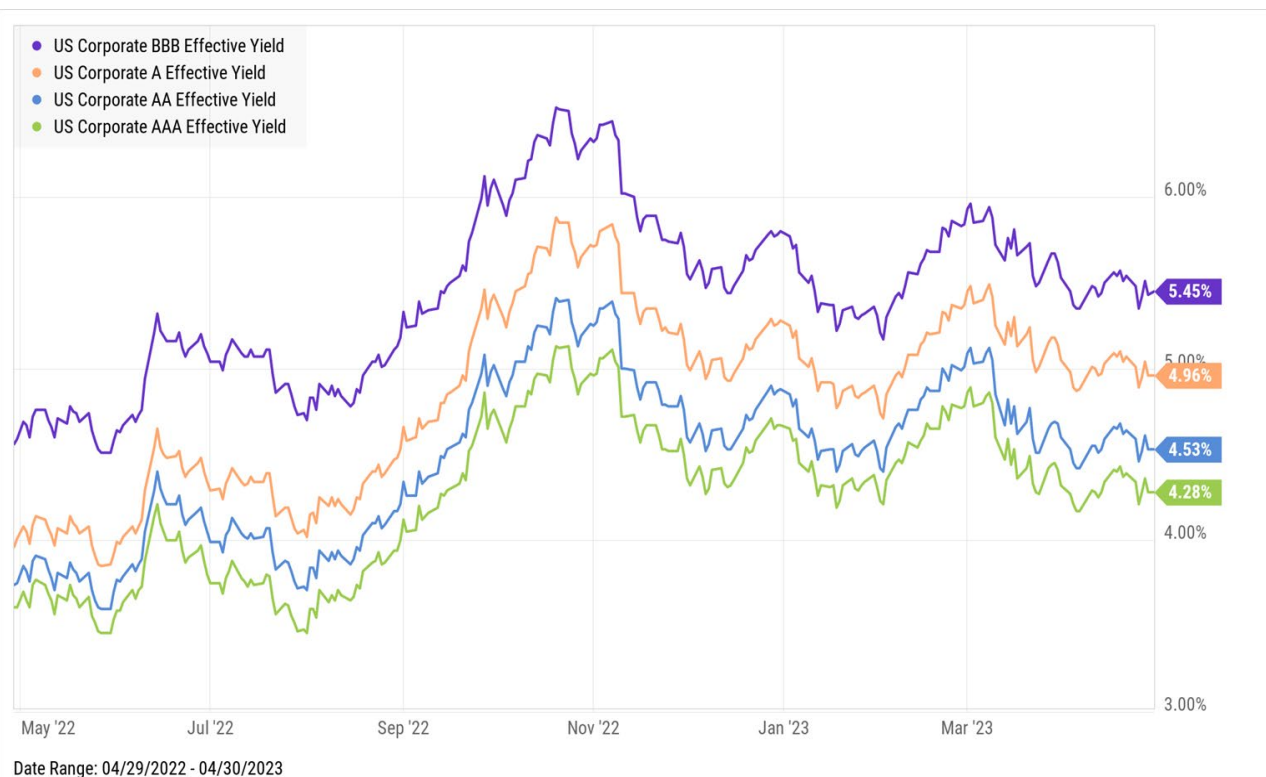
Date Range: 04/29/2022 - 04/28/2023

# Corporate Bond Yields

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Type	Rate	MoM $\Delta$
BBB	5.45%	▼ 8 bps
A	4.96%	▼ 9 bps
AA	4.53%	▼ 7 bps
AAA	4.28%	▼ 4 bps





# Section 4: The Ten Potholes in the US Economy

Featuring What to Watch for during 2023



# The Ten Potholes in the US Economy

- 1. Income Inequality:** The gap between rich and poor in the United States continues to widen, which can lead to social unrest and reduced economic mobility. Income inequality is estimated to cost the U.S. economy hundreds of billions of dollars annually due to reduced economic growth, increased crime rates, and reduced social mobility.
- 2. Excessive Inflation:** Personal Consumption Expenditures exceeded expectations at 4.16%, versus the forecast of 4.10%, which remains too high. U.S. consumers spent \$1.5 trillion more due to rising prices. Looking at personal consumption expenditures (PCE) data we see that in 2022, PCE spending increased to \$17.4 trillion versus \$15.9 trillion in 2021.
- 3. Labor shortages in the U.S. and Puerto Rico:** may face a shortage of skilled workers, which has led to wage increases, reduced productivity, and increased costs for businesses. Today there are some 9.931 million job openings and only 5.082 million people seeking employment, creating a 48.82% deficit and a cost in the billions in lost opportunities.
- 4. Climate change:** The United States and Puerto Rico continue to experience more frequent and severe weather events, damaging infrastructure and disrupting supply chains. According to the National Oceanic and Atmospheric Administration (NOAA), the cost of weather and climate catastrophes in the U.S. and PR last year totaled more than \$165 billion, the third costliest year on record.

# The Ten Potholes in the US Economy

5. **Aging population:** The U.S. population and Puerto Rico are aging, which will strain social insurance and healthy ecosystems and slow economic growth. By 2030, when all boomers are over 65, the Medicare population is expected to reach 69.7 million, and annual Medicare acute care costs are expected to reach \$259.80 billion, according to the USC School of Public Policy.
6. **Global Competition:** The United States faces increasing competition from emerging economies, particularly China, which may affect U.S. economic growth and political influence. That demonstrated during the pandemic that the U.S. is overly dependent on China's production, which makes the U.S. vulnerable.
7. **National Debt:** The U.S. national debt continues to rise, now exceeding \$31 trillion, which means a per capita cost of \$94,201, which may lead to higher interest rates, reduced investment, and slower economic growth. The U.S.'s deficits are primarily due to predictable structural factors: the aging of the baby boom generation, rising healthcare costs, and a tax system that does not bring in enough money to pay for what the government has promised its citizens.
8. **Education and Skills Gap:** The U.S. may face a skills gap as automation and technology advance, reducing productivity and competitiveness. To put it in numerical terms, that could jeopardize \$454,000 billion of economic output by 2028 and more than \$2.5 trillion over the next decade.
9. **Foreign trade policy:** The U.S. could experience disruptions in world trade due to protectionist policies, trade disputes, and geopolitical tensions.



**10. Healthcare Costs:** The U.S. and Puerto Rico ecosystems continue to face unprecedented increases in health costs, impacting consumer spending and reducing economic growth. The United States spends about \$13,000 per person or \$4.3 trillion on health care, the highest per capita spending among Organization for Economic Cooperation and Development (OECD) countries. In the case of Puerto Rico, the case is different; it is a matter of discrimination in the allocation of funds by the U.S. Congress; while there they allocate \$13,000 per capita, in Puerto Rico, they allocate only \$4,000 per capita or \$9,000 per capita less or 69% less, which is equivalent to a lack of allocation of \$29.9 billion per year or \$300 billion in the last decade. One of Puerto Rico's biggest problems is that the most significant percentage of health spending is due to people not attending to their illnesses in a timely manner. When they go to the health centers, their illnesses are so critical that their treatment costs millions of dollars. For example, between 2% and 3% of patients consume 80% of the health budget.







# Section 5: Birling Capital Overview





# FIRM OVERVIEW

Birling Capital is a leading corporate advisory & consulting firm that offers broad corporate finance & advisory services to institutional, government, corporate, middle-market companies, family corporations and their owners, in identifying and resolving organizational finance-related issues. We use a holistic approach both assets and liabilities sides with integrated business, personal, family needs and objectives.

Over the past two decades, our firm's principals have advised on more than 150 transactions in the corporate, healthcare, retail, education, insurance, banking and government markets.

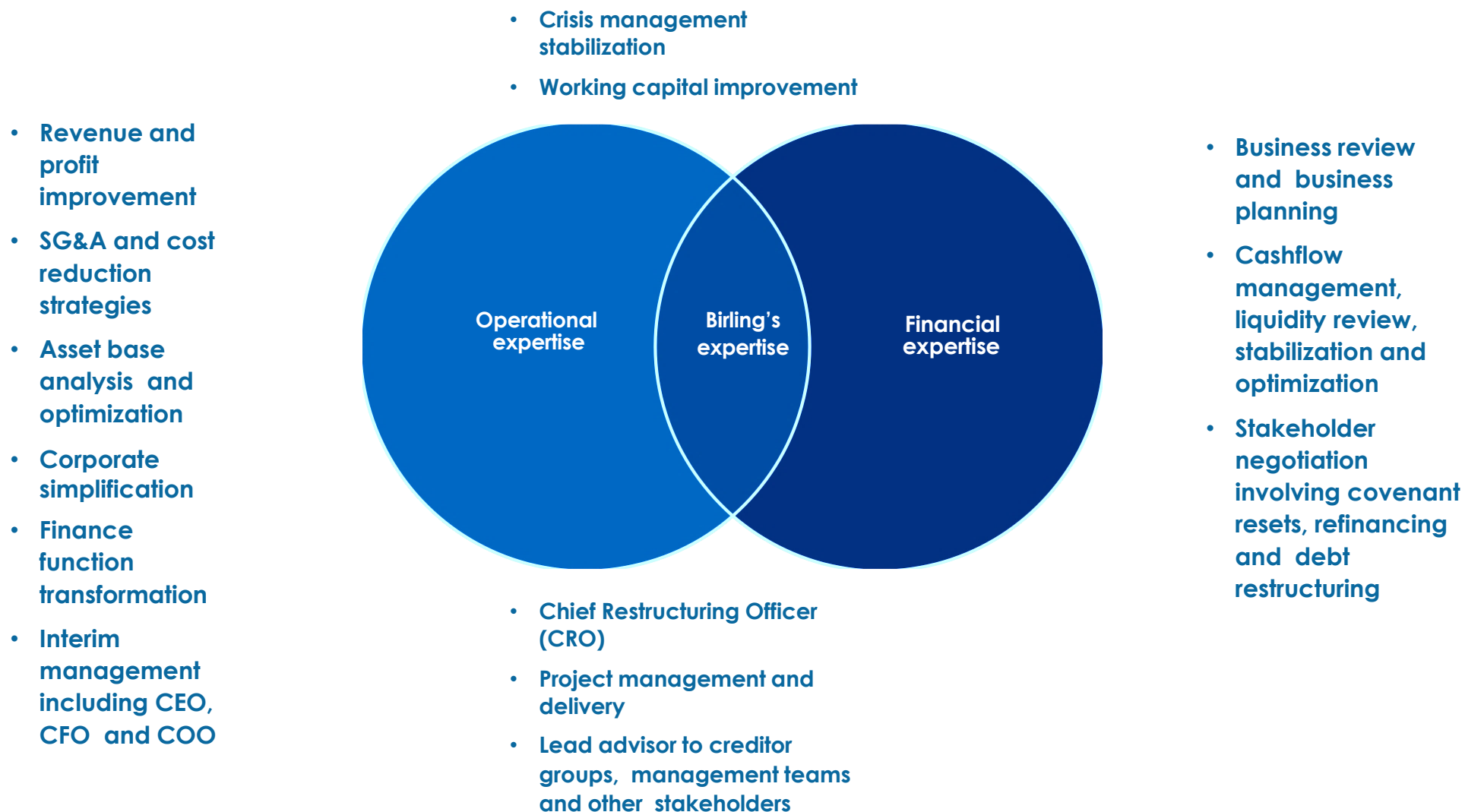
**Our value proposition has been implemented with three critical ingredients for success:**



- ☐ Unwavering Commitment to Client Service
- ☐ Unparalleled Degree of Professionalism and Senior-Level Attention
- ☐ Extraordinary Level of Industry Expertise

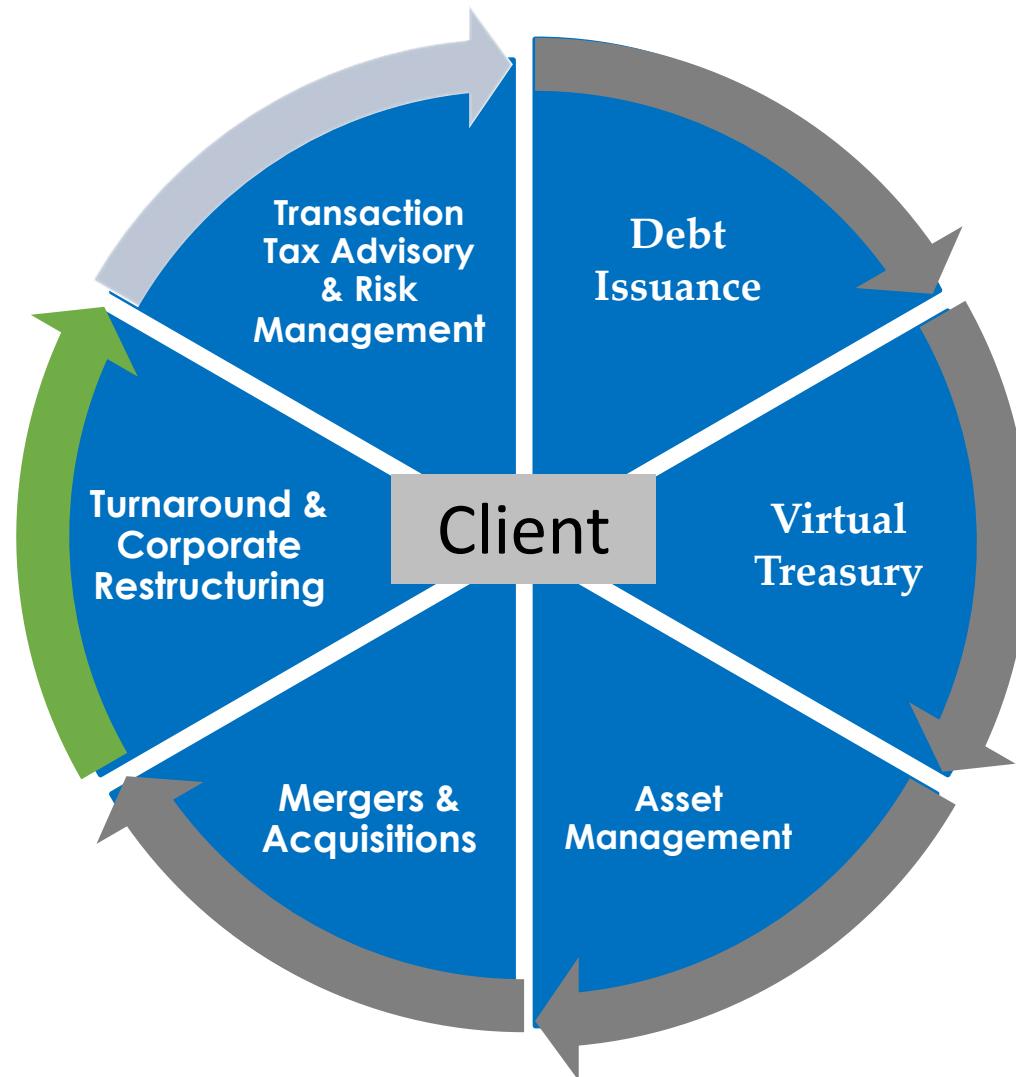


# Our Integrated Approach



**Birling combines both operational and financial expertise to provide a full service offering. This means we design the solutions and then work with our clients to implement them.**

# Corporate Financial Planning (CFP)



**Birling Capital's holistic service approach**

# GLOBAL MARKET SQUARE



**BIRLING**  
CAPITAL ADVISORS, LLC



Francisco Rodríguez-Castro  
President & Chief Executive Officer



Birling Capital Advisors LLC  
PO Box 10817  
San Juan, PR 00922

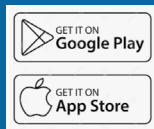


[frc@birlingcapital.com](mailto:frc@birlingcapital.com)



787-247-2500  
787-645-8430

[@birlingcapital](https://www.instagram.com/birlingcapital)



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