



Popular, FirstBank & Oriental's Tier 1 Capital strength beat some of the world's largest banks, Fed leaves rates unchanged, and Wall Street closed higher.

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The U.S. and European stock markets closed higher following the Fed's FOMC meeting that left interest rates unchanged.

Today, the Fed, following its FOMC meeting, decided to leave interest rates at the current range of 5.25%~5.50%, a 22-year high, but maintains open the door for additional rate increases, considering the US economy remains strong, growing last quarter at 4.90% GDP and forecast for the fourth quarter of 2.30% GDP.

We also note that U.S. Construction Spending fell 0.41%, adding to the housing market woes, and in the labor markets, the ADP Employment Change report rose to 113,000, up 26.96%; however, the most accurate reading of the jobs markets is due to a report on Friday the U.S. Nonfarm payrolls to get a reading of the position of the labor market; additionally, the unemployment rate and the labor participation rate are due to report on Friday.

In anticipation of increasing its cash hoard, the U.S. Treasury Department announced its intention to increase the size of its auctions as it attempts to manage its heavy debt balance and with financing costs increasing.

The plan is to auction \$112 billion in notes next week to refund \$102.2 billion of notes set to mature on November 15, netting \$9.8 billion in new funding.

As we finalize our review of the Top 9 U.S. and Puerto Rico Banks following the third quarter 2023 results and all constituents of the Birling Capital U.S. Bank Index or Birling Capital Puerto Rico Stock Index and we must highlight the Tier 1 Capital Ratios, noting that Popular and FirstBank are ranked #1 and #2 respectively, while Oriental is ranked #6, all against some of the world's largest banks and we ranked by the highest Tier 1 Capital Ratio:

Bank Tier 1 Capital Ratio:

1. Popular, Inc.	16.88%
2. FirstBank Corp.	16.35%
3. Morgan Stanley	15.50%
4. Goldman Sachs	14.80%
5. JP Morgan Chase	14.50%
6. OFG Bancorp.	14.03%
7. Citigroup	13.50%
8. Bank of America	13.50%
9. Wells Fargo	11.00%

Corporate Earnings Parade:

- **CVS Health (CVS):** reported 3Q23 revenues of \$89.8 billion, down 42.0%, Net Income of \$2.261 billion, and Earnings per share of \$1.75, beating estimates. The stock has a price objective of \$91.15 and closed down as the company slashed its revenue guidance.
- **Yum Brands Inc (YUM):** reported 3Q23 revenues of \$8.620 billion, up 10.0%, missing revenue estimates, Net Income of \$344 million, up 13.0%, and Earnings per share of \$1.46), beating estimates. The stock has a price objective of \$140.78.

Key Economic Data:

- **U.S. Construction Spending MoM:** fell to 0.41%, compared to 0.98% last month.
- **ADP Employment Change:** rose to 113,000, up from 89,000 last month, up 26.96%.
- **ADP Median Pay YoY:** fell to 5.70%, compared to 5.90% last month.
- **Target Federal Funds Rate Upper Limit:** is unchanged at 5.50%.

Eurozone Summary:

- **Stoxx 600** closed at 436.57, up 2.91 points or 0.67%.
- **FTSE 100** closed at 7,342.43, up 20.71 points or 0.28%.
- **Dax Index** closed at 14,923.27, up 112.93 points or 0.76%.

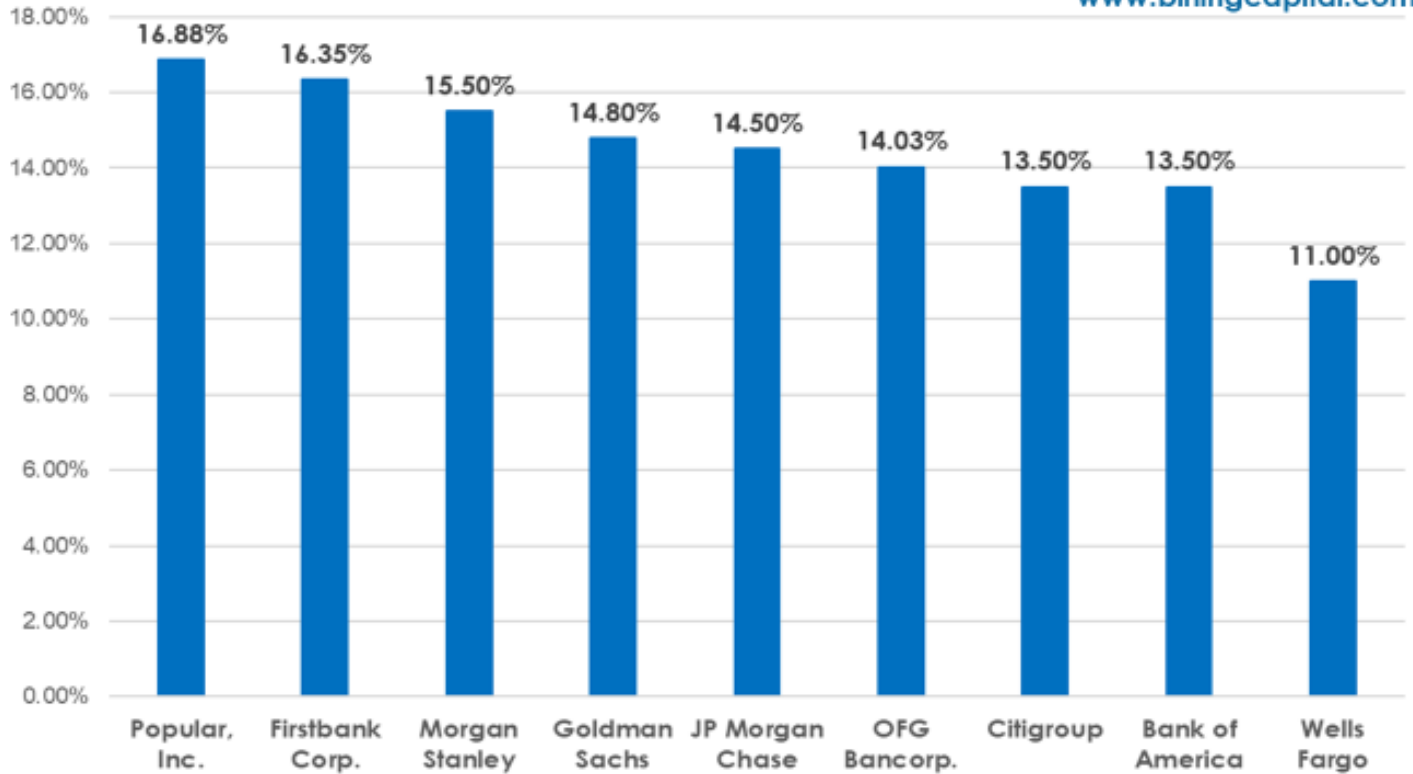
Wall Street Summary:

- **Dow Jones Industrial Average** closed at 33,274.58, up 221.71 points or 0.67%.
- **S&P 500** closed at 4,237.86, up 44.06 or 1.05%.
- **Nasdaq Composite** closed at 13,061.47, up 210.23 or 1.64%.
- **Birling Capital Puerto Rico Stock Index** closed at 2,653.13, down 6.04 or 0.23%.
- **Birling Capital U.S. Bank Stock Index** closed at 3,406.49, up 41.11 or 1.22%.
- **U.S. Treasury 10-year note** closed at 4.77%.
- **U.S. Treasury 2-year note market** closed at 4.95%.



Top Banks Tier 1 Capital Ratio September 2023

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US Construction Spending MoM, ADP Employment Change & ADP Median Pay YoY

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- US Construction Spending MoM

0.41%
- ADP Employment Change

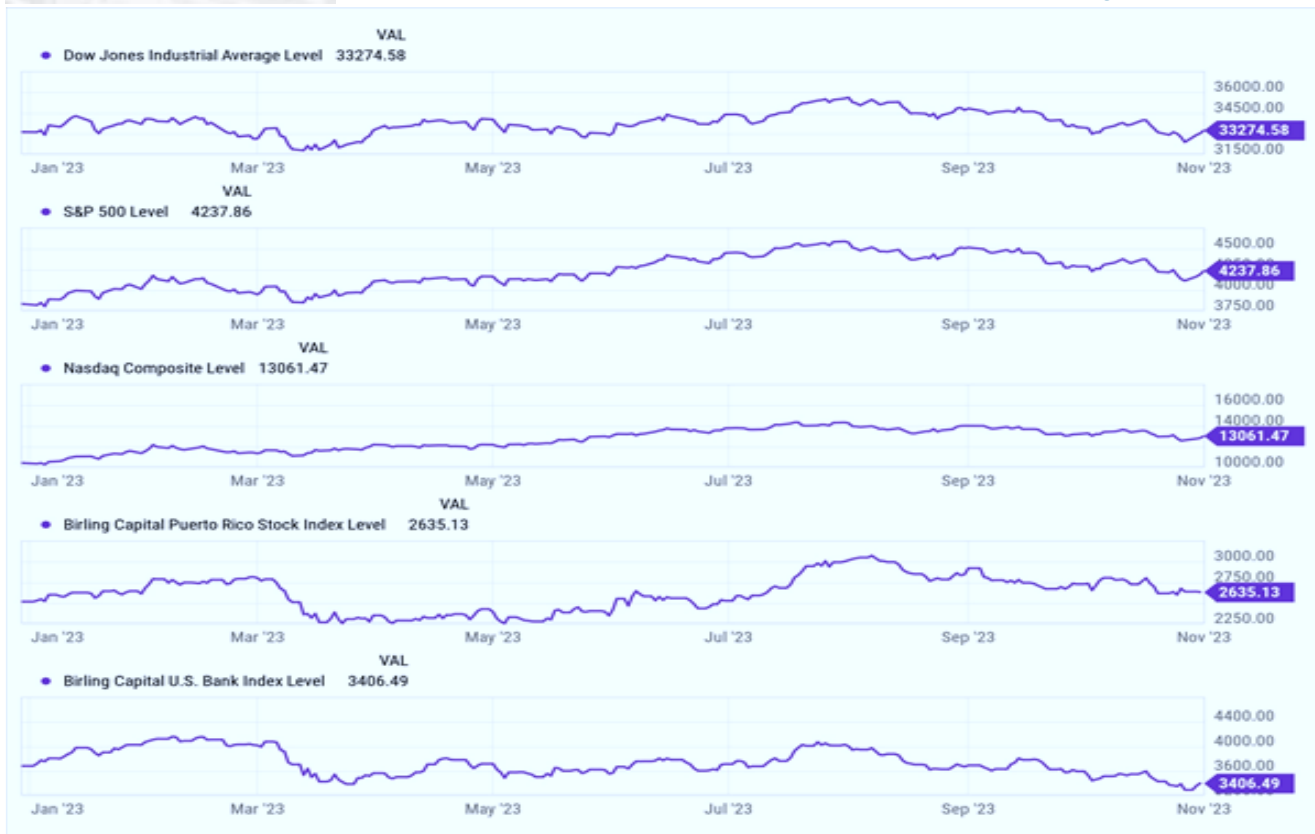
113000.0
- ADP Median Pay YoY

5.70%





Wall Street Recap November 1, 2023



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