

Wall Street Falls, NVIDIA Reports Earnings that surged 122%; Salesforce revenues rose 8%, and the stage it set for the Fed's Preferred Inflation metric, the Core PCE.

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The U.S. and European stock markets closed with mixed results; there were no significant economic data releases to influence trading, and most everyone is expecting the Corporate Earnings of NVIDIA and Friday PCE and Core PCE readings, so let's say that investors took a breather. NVIDIA reported earnings after the market close, showing a 122% surge in revenue driven by strong demand for data center chips, surpassing expectations. Salesforce also reported earnings that beat expectations, with revenues rising 8%. These results could set the tone for tomorrow's trading. Given the significant rally over the past two weeks, it's unsurprising that the markets are consolidating gains ahead of key upcoming events.

Investors will closely watch the Fed's preferred inflation measure release on Friday in the next few days, followed by the August employment report next week. These data points will be crucial in determining whether the Federal Reserve will decide to cut interest rates by 0.25% or 0.5% at its meeting **on September 18**. The U.S. dollar, which had been weakening for the past month, found some support today, recovering slightly after hitting a new low for the year yesterday.

NVIDIA, a key player in the AI boom, has significantly influenced the S&P 500, now making up 7% of the index. The Stock, which has gained 159.10% this year, will cause a significant market reaction tomorrow following its outsized earnings compared to expectations. Analysts had anticipated a fourth consecutive quarter of triple-digit growth, with sales expected to increase by 112% and they grew by 122% and earnings by 139% and grew by 168%, with major tech companies like Microsoft, Alphabet, Meta, Amazon, and Tesla continue investing heavily in NVIDIA's processors to advance their AI projects. While innovation continues to drive high-tech valuations, diversification within the market is also crucial. The recent broadening of market leadership suggests a more sustainable bull market, which is a positive sign.

August started with volatility but is ending on a more subdued note. After experiencing a nearly 10% correction earlier in the month, the first of its kind this year, the market has made a strong recovery. Fears of a recession have faded quickly, and the Federal Reserve has hinted that rate cuts could be imminent. However, it's too early to dismiss the possibility of further market volatility, especially given the historically challenging period leading up to the November elections, which often sees more significant daily fluctuations and lower returns. Despite this, the fundamental outlook remains strong, with rising economic growth and corporate earnings. As the Fed transitions from a restrictive to a neutral policy stance, interest-rate-sensitive and cyclical sectors like consumer staples, real estate, health care, utilities, and financials have led the market in August, reflecting this anticipated shift.

Corporate Earnings Parade:

- **NVIDIA Corp (NVDA):** reported 2Q25 revenues of \$30 billion, up 122%, net income of \$16.599 billion, up 168%, and earnings per share of \$0.67, which beat estimates. NVDA has a Price

Objective of \$143.10, and the Stock closed at \$125.61, down \$2.59%. Watch how it surges tomorrow.

- **Salesforce Inc (CRM):** reported 2Q25 revenues of \$9.325 billion, up 8%, net income of \$1.429 billion, up 12.78%, and earnings per share of \$1.47, which beat estimates. CRM has a Price Objective of \$301.04, and the Stock closed at \$258.50, down -\$5.70. Watch how it surges tomorrow

Key Economic Data:

- **Japan Consumer Confidence Index:** rose to 36.70, up from 36.40 last month, increasing 0.82%.

Eurozone Summary:

- **Stoxx 600:** Closed at 520.60, up 1.72 points or 0.33%.
- **FTSE 100:** Closed at 8,343.85, down 1.61 points or 0.019%.
- **DAX Index:** Closed at 18,782.29, up 100.48 points or 0.54%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,091.42, down 159.08 points or 0.39%.
- **S&P 500:** closed at 5,592.18, down 33.62 points or 0.60%.
- **Nasdaq Composite:** closed at 17,556.03, down 198.79 points or 1.12%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,830.47, down 1.79 points or 0.05%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,364.88, down 13.23 points or 0.25%.
- **U.S. Treasury 10-year note:** closed at 3.84%.
- **U.S. Treasury 2-year note:** closed at 3.83%.

Inflation Nowcasting PCE & Core PCE

Inflation Nowcast	PCE	Core PCE	Updated
August	2.38%	2.77%	27-Aug

Dow Jones Industrial Average, S&P 500, Nasdaq Composite, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns 8.28.24

	VAL
● Dow Jones Industrial Average Level % Change	9.03%
● S&P 500 Level % Change	17.24%
● Nasdaq Composite Level % Change	16.95%
● Birling Capital Puerto Rico Stock Index Level % Change	14.57%
● Birling Capital U.S. Bank Index Level % Change	23.07%





Wall Street Recap

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