

## Home Depot Revenues Beat Estimates Rising 4.5% to \$159.5 Billion, US Consumer Confidence Tumbles Amid Economic Uncertainty, and Wall Street Falls.

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The US and European stock markets closed with mixed results, as the Conference Board's Consumer Confidence Index fell 7% to 98.3 this month, lower than the anticipated 102.3 predicted by Dow Jones, marking the most significant monthly decrease since August 2021.

This week, attention in the financial markets is centered on NVIDIA's earnings for the fourth quarter and crucial residential real estate data for January, such as new home sales, building permits, and pending home sales. Globally, Asian markets saw a downturn following President Trump's announcement that tariffs on Canada and Mexico would resume next week, ending a 30-day suspension initiated in early February. Bond markets also reflected caution, with the 10-year Treasury yield closing at 4.30%. The US dollar weakened against major currencies, and WTI crude oil prices fell in commodities.

Home prices have unexpectedly surged—The S&P CoreLogic Case-Shiller 20-City Home Price Index recorded a 4.5% increase in December year-over-year, surpassing the anticipated 4.4% rise. Home price acceleration has been declining through much of 2024 from a high in March of 7.5%.

However, recent months have shown a reversal in this trend, with New York leading the most significant annual increases, followed by Chicago and Boston.

Home prices heavily influence the shelter cost aspect of inflation, which stands at 4.7% in the Federal Reserve's preferred PCE price index.

The scant availability of homes on the market contributes to the climbing prices. Sales of existing homes remained low at an annual rate of roughly 4.1 million in January, significantly under the decade's average of about 5.2 million. Many homeowners are locked into mortgages at rates much lower than currently available, deterring them from selling and potentially facing higher payments. Reducing mortgage rates might stimulate more homeowners to list their properties, possibly restoring a more balanced market.

Consumer sentiment dips slightly—The Conference Board's Consumer Confidence Index fell to 98.3 in February, marking the third consecutive month of decline and coming under the expected 103.0. This downturn reflects growing concerns over the labor market and future earnings prospects. Inflation expectations have also risen, with forecasts for the next 12 months climbing to 6% from 5.2% in January. The ongoing high inflation and anxiety over tariffs are likely eroding consumer confidence, which could eventually impact consumer spending patterns. Easing inflationary pressures and some resolution on tariff issues could bolster consumer sentiment.

## Corporate Earnings Parade:

- **Home Depot, Inc. (HD)** reported 4Q24 revenues of \$39.7 billion, up 14.1%, net income of \$3.00 billion, up 6.38%, and EPS of \$3.02, which is above expectations. With a stock price objective of \$433.62, the stock closed today at \$393.24, up \$10.82.
- **Full-year 2024:** Revenues were \$159.5 billion, up 4.5%, and Net Income of \$14.8 billion.
- **Click our report on Home Depot:** <HD.Report.2025.02.25.pdf>

## Economic Data:

- **Case-Shiller Composite 20 Home Price Index YoY:** rose to 4.53%, compared to 4.39% last month.
- **Case-Shiller Home Price Index: National:** rose to 327.47, up from 325.96 last month, increasing 0.46%.
- **Richmond Fed Manufacturing Index:** rose to 6.00, up from -4.000 last month.
- **Germany Real GDP YoY:** is at -0.20%, compared to -0.30% last quarter.
- **Euro Area Money Supply M3:** rose to 16.73 trillion, up from 16.68 trillion.

## Eurozone Summary:

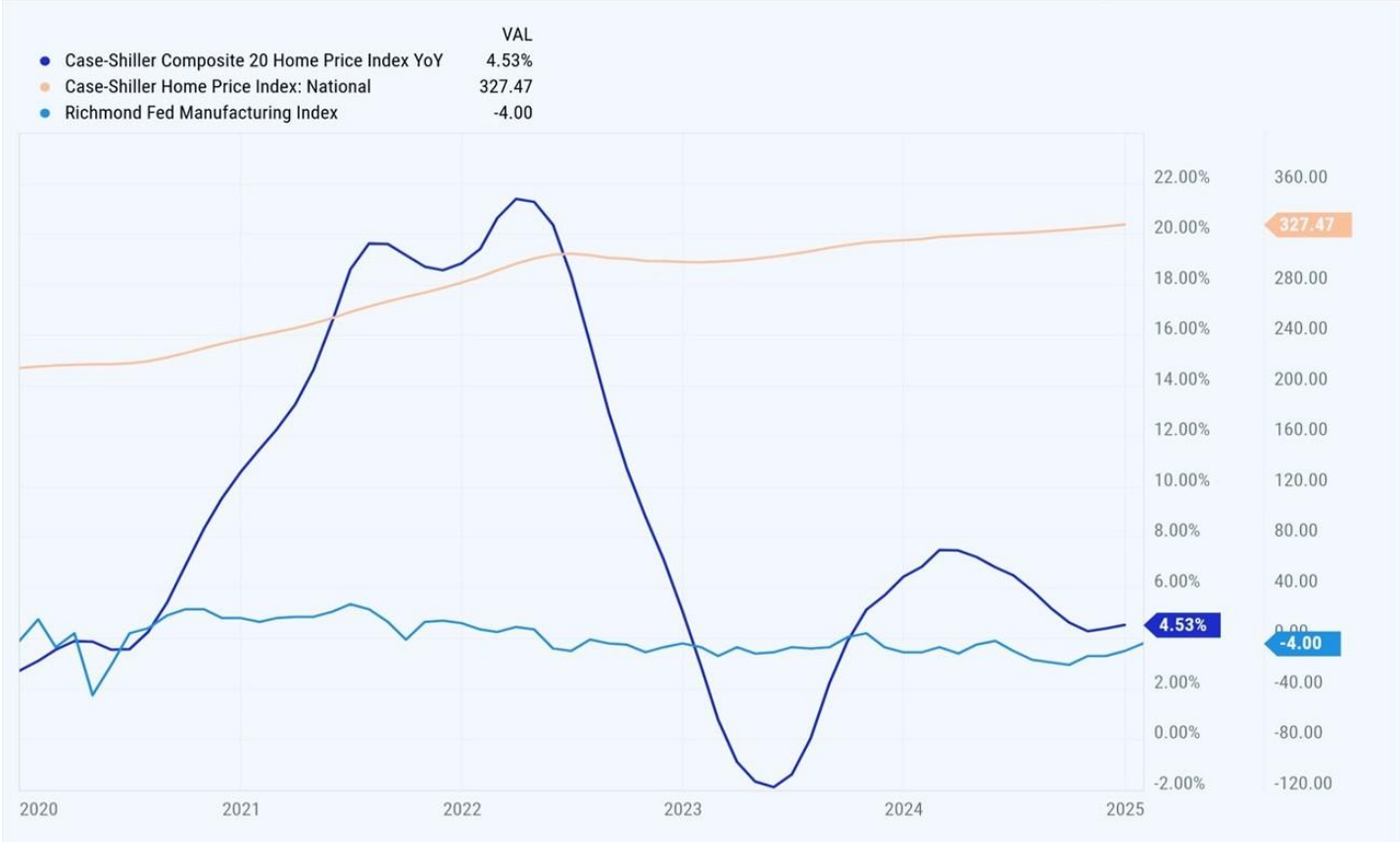
- **Stoxx 600:** Closed at 554.50, up 0.81 points or 0.58%.
- **FTSE 100:** Closed at 8,668.67, up 9.69 points or 0.11%.
- **DAX Index:** Closed at 22,410.27, down 15.66 points or 0.07%.

## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,621.16, up 159.95 points or 0.37%.
- **S&P 500:** closed at 5,955.25, down 28.00 points or 0.47%.
- **Nasdaq Composite:** closed at 19,026.39, down 260.54 points or 1.35%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,680.13, down 21.40 points or 0.58%.
- **Birling Capital US Bank Index:** closed at 6,756.42, down 54.98 points or 0.81%.
- **US Treasury 10-year note:** closed at 4.30%.
- **US Treasury 2-year note:** closed at 4.07%.



# Case-Shiller Composite 20 Home Price Index, Case-Shiller Home Price Index & Richmond Fed Manufacturing Index





# Germany GDP & Euro Area Money Supply



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