

UBS Reports Strong 2024 Earnings with \$48.6 Billion in Revenue Up 19%, Beating Estimates: U.S. Manufacturing PMI Hits Highest Level Since 2022 at 50.9.

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The US and European stock markets closed higher after Trump's tariffs created a turbulent Monday, which saw investors react to shifting trade policies. Market sentiment wavered following President Donald Trump's executive order imposing 25% tariffs on imports from Canada and Mexico. However, a late-day agreement postponed the implementation of those tariffs by one month. Meanwhile, a separate 10% tariff on Chinese imports officially took effect overnight, prompting swift retaliation from Beijing, which imposed tariffs on select US exports. Trade negotiations remain fluid despite these developments, and investors are closely monitoring further updates.

Public Opinion on Trump's Tariffs: Divided Views on Economic Impact

Americans remain divided on President Trump's tariff policies, with opinions varying based on their intended targets and economic implications.

A **Fox News poll** conducted in late January 2025 found that **53% of respondents opposed imposing hefty tariffs on Canada and Mexico** when used as leverage for immigration policies, while **42% supported them**. Additionally, 50% of those surveyed believed tariffs would hurt the US economy, compared to **32% who viewed them as beneficial**.

The support towards tariffs changes when China becomes the focus. A **Harvard CAPS/Harris poll**, also conducted in January 2025, found that **52% of registered voters favored tariffs on Chinese imports** to boost domestic manufacturing, with **48% opposed**. Most Americans see tariffs as a necessary tool for countering China's trade practices and reviving US industry, even as concerns about economic fallout persist.

Postponing Canadian and Mexican tariffs offers temporary relief for businesses reliant on cross-border trade, but the U.S.-China tariff standoff remains in focus. China's newly imposed tariffs, set to take effect on February 10, target key U.S. exports, including automobiles, coal, crude oil, and agricultural machinery. In 2023, China accounted for approximately 7% of U.S. goods exports and 14% of imports, underscoring the economic significance of this trade relationship.

Asian markets showed resilience, with Hong Kong's Hang Seng Index climbing nearly 3%.

Economic Indicators Signal Strength

Despite trade concerns, recent economic data points to resilience in the U.S. economy. The ISM Manufacturing PMI, a key gauge of industrial activity, rose to 50.9—its highest level since September 2022—after 26 consecutive months of contraction.

Corporate Earnings Parade:

- **UBS Group AG (UBS):** reported 4Q24 revenues of \$11,636 billion, up 7%, net income of \$770 million, up from a loss, and earnings per share of \$0.23, surpassing estimates. UBS has a Tier 1 Capital Ratio of 14.30% and a stock price objective of \$33.96.
- Full-year 2024 Revenues were \$48,611 billion, up 19%, and net income was \$5,085.
- UBS stock closed today at \$32.41, down -\$2.53 or -7.24%.
- **UBS stock fell despite beating earnings expectations due to several concerns:**
 1. **Uncertainty Over Share Buybacks** – UBS announced a \$3 billion buyback plan, but it's conditional on Swiss regulatory changes.
 2. **Potential Stricter Regulations** – Swiss authorities may impose stricter capital requirements, which UBS warns could hurt competitiveness.
 3. **Mixed Financial Indicators** – While profits were substantial, new asset inflows missed estimates, and integration costs from the Credit Suisse merger increased.
- **View our report on UBS here:** [UBS Overview](#)

Key Economic Data:

- **US Job Openings: Total Nonfarm:** fell to 7.60 million, down from 8.156 million last month, decreasing -6.82%.
- **US ISM Manufacturing PMI:** rose to 50.90, up from 49.20 last month.
- **US Durable Goods New Orders MoM:** fell -2.20%, compared to -1.99% last month.
- **US Durable Goods Excluding Defense New Orders MoM:** fell -0.38%, compared to 0.93% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 534.85, down 4.68 points or 0.87%.
- **FTSE 100:** Closed at 8,583.56, down 90.40 points or 1.04%.
- **DAX Index:** Closed at 21,428.34, down 303.81 points or 1.40%.

Wall Street Summary:

- **Dow Jones Industrial Average:** Closed at 44,556.04, up 134.13 points or 0.30%.
- **S&P 500:** Closed at 6,037.88, up 43.31 points or 0.72%.
- **Nasdaq Composite:** Closed at 19,654.02, up 262.06 points or 1.35%.
- **Birling Capital Puerto Rico Stock Index:** Closed at 3,707.28, down 77.36 points or 2.04%.
- **Birling Capital US Bank Index:** Closed at 6,919.18, down 57.37 points or 0.82%.
- **US Treasury 10-year note:** Closed at 4.52%.
- **US Treasury 2-year note:** Closed at 4.21%.

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