

American Express Earnings Surpass Estimates 2024 Net Income Rises 21%; The US Index of Consumer Sentiment decreases 10% YoY to 71.10.

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The US and European stock markets closed the session with losses, yet the markets recorded a second consecutive week of gains overall. Even with today's pause in the rally, the five indexes have had solid returns since January 13, 2025, and we rank them by returns:

1. Birling US Bank Index has a 9.81% return
2. Birling Puerto Rico Stock Index has a 6.69% return.
3. Dow Jones has a 5.03% return,
4. S&P 500 has a 4.54% return.
5. Nasdaq Composite has a 4.54% return.

The sectoral landscape is varied, with communications and utilities sectors leading to the gains. Meanwhile, bond yields fell, with the 10-year Treasury note closing at 4.63%.

Asian markets have risen following a 25-basis-point hike in the Bank of Japan's policy rate, aligning with expectations. The US dollar is weakening against major global currencies. In commodities, West Texas Intermediate (WTI) crude oil prices are climbing, though they remain lower on a weekly basis after President Trump proposed measures to boost US oil output and urged OPEC to reduce oil prices. The corporate earnings season began strongly, with 16% of companies reporting their fourth-quarter results. Of them, 76% have surpassed analyst expectations, with an average earnings surprise of 7.4%. Earnings growth is anticipated to be robust at 12.75% YOY, with a broad base across sectors.

In economic indicators, January's preliminary Services Purchasing Managers' Index (PMI) missed expectations, falling to 52.8 against the expected 56.7. However, the manufacturing PMI has shown resilience, increasing to 50.1 and surpassing forecasts of 49.5. A PMI above 50 indicates expansion, signaling growth in both services and manufacturing sectors. Additional data show mixed economic signals: the US Index of Consumer Sentiment has decreased to 71.10 from 74.00 last month, a drop of 3.92%, indicating waning consumer confidence. Conversely, US Existing Home Sales have shown a positive uptick, rising to 4.24 million from 4.15 million last month, marking a 2.17% increase, suggesting resilience in the housing market.

Further rate cuts by the Federal Reserve and potential deregulatory measures are expected to bolster continued economic expansion.

Washington Update:

President Trump swiftly issued 26 executive orders spanning various issues, notably immigration and energy. These orders set the groundwork for revising existing policies by mandating reviews and studies rather than enacting immediate changes. Such actions are typical for new presidents to shift from their predecessor's policies. Full implementation of these changes awaits the appointment of Trump's cabinet and key regulatory officials.

Regarding tariffs, there is significant speculation about new tariffs ranging from 10% to 25% on goods from Canada, Mexico, and China, possibly starting February 1. These proposed tariffs are a strategic move to open negotiations on issues like immigration enforcement and the importation of fentanyl.

Corporate Earnings Parade:

- **American Express (AXP):** reported 4Q24 revenues of \$17,179 billion, up 9%, net income of \$2,139 billion, up 12%, and earnings per-share of \$3.04, surpassing estimates with a stock price objective of \$304.38.
- Full 2024 Revenues were \$35,192 billion, up 5%, and net income was \$10,129 billion, up 21%. Amex stock closed today at \$321.44, down \$4.43 or -1.36%.
- **View our report on American Express here:** [AXP_pdf_report_2025-01-24-17-56.pdf](#)

Key Economic Data:

- **US Index of Consumer Sentiment:** fell to 71.10, down from 74.00 last month, decreasing -3.92%.
- **US Existing Home Sales:** rose to 4.24 million, up from 4.15 million last month, increasing 2.17%.
- **Canada New Housing Price Index YoY:** fell to 0.08%, compared to 0.16% last month.

Eurozone Summary:

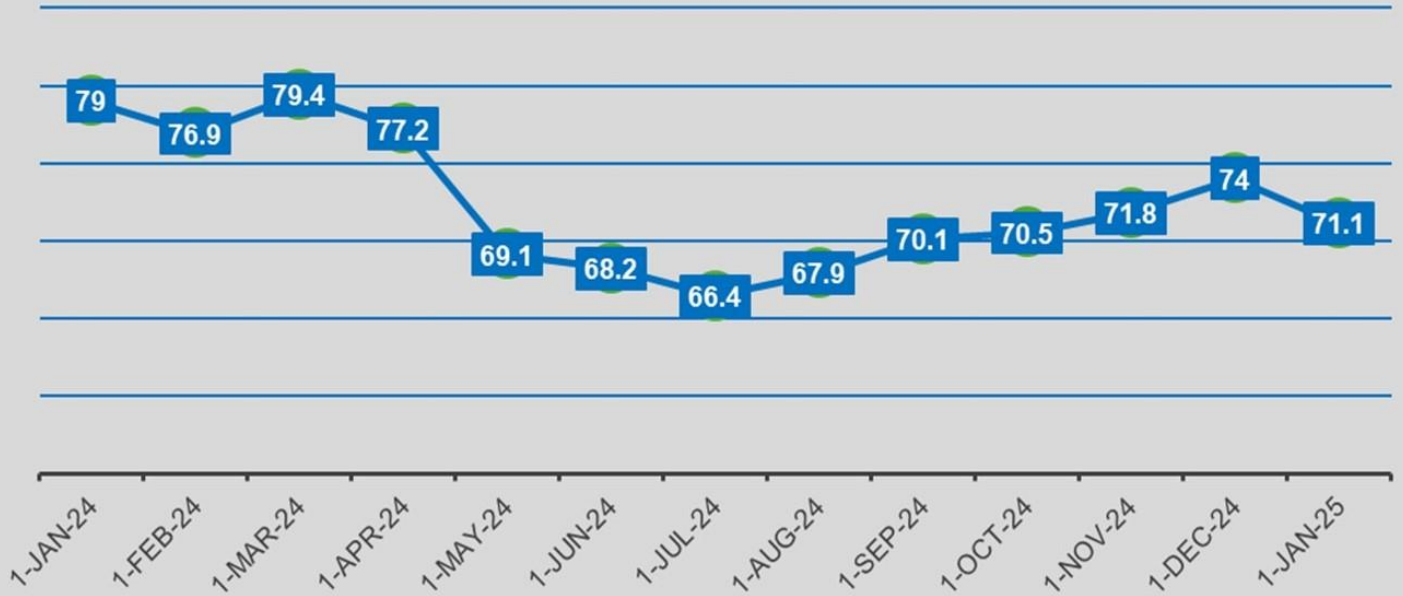
- **Stoxx 600:** Closed at 530.07, down 0.27 points or 0.05%.
- **FTSE 100:** Closed at 8,502.07, down 62.85 points or 0.73%.
- **DAX Index:** Closed at 20,394.93, up 16.60 points or 0.08%.

Wall Street Summary:

- **Dow Jones Industrial Average:** Closed at 44,424.25, down 140.82 points or 0.32%.
- **S&P 500:** Closed at 6,101.24, down 17.47 points or 0.29%.
- **Nasdaq Composite:** Closed at 19,954.30, down 99.38 points or 0.50%.
- **Birling Capital Puerto Rico Stock Index:** Closed at 3,773.23, up 51.09 points or 1.37%.
- **Birling Capital US Bank Index:** Closed 6,946.01, up 57.85 points or 0.84%.
- **US Treasury 10-year note:** closed at 4.63%.
- **US Treasury 2-year note:** closed at 4.27%.

The University of Michigan's US Index of Consumer Sentiment reflects consumer optimism during economic growth and pessimism in recessions. From January to December 2024, it fell from 79.0 to 71.1, a 10% drop.

Index of Consumer Sentiment Readings Jan-2024-Jan-2025



US Existing Home Sales, 30-Year Mortgage Rate & Canada New Housing Price Index

- US Existing Home Sales VAL 4.24M
- 30 Year Mortgage Rate 6.96%
- Canada New Housing Price Index YoY 0.08%





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