



GLOBAL MARKET SQUARE



BIRLING
CAPITAL ADVISORS, LLC

Popular and First BanCorp Surpass Estimates with Earnings Strength, while S&P 500 Climbs Ahead of Big Tech Earnings.

January 27, 2026

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets wrapped up Tuesday with mixed results as investors navigated a dense slate of earnings reports and evaluated notable shifts in regulatory, trade, and policy developments. **S&P 500 and Nasdaq gained** as mega-cap technology stocks pushed the **S&P 500 to a fresh intraday high**, while the **Dow Jones Industrial Average slipped** amid sharp declines in managed-care shares.

The divergence across indexes was driven largely by sector dispersion. Big Tech outperformed as investors positioned ahead of critical earnings stretch from the largest technology companies, with market participants focused on capital-spending plans, artificial-intelligence investments, and early signs of monetization. More than 90 S&P 500 companies are scheduled to report by the end of the week, keeping earnings at the center of market pricing. **Underlying sentiment has weakened meaningfully over the past year, with the Conference Board Consumer Confidence Index falling from 98.9 in January 2025 to 84.5 in January 2026**, underscoring a growing disconnect between equity-market resilience and household confidence.

By contrast, U.S. health insurers led sector declines after the Centers for Medicare & Medicaid Services announced that Medicare Advantage payment rates for 2027 will increase by just 0.09%, well below market expectations. The update heightened concerns around margin compression across the managed-care sector, weighing on shares of UnitedHealth Group and peers and leaving health care among the day's weakest performers.

Trade policy returned to the spotlight after President Donald Trump warned that tariffs on imports from South Korea could rise from **15% to 25%**, citing delays in final approval of the U.S.–South Korea trade agreement announced last summer. Market reaction has been muted, with South Korea's **KOSPI gaining nearly 3% overnight**, signaling that investors view the comments as negotiating pressure rather than an imminent escalation.

In fixed income and currency markets, the **ICE U.S. Dollar Index** continues to drift lower and is now down nearly **2% year-to-date**. Treasury yields are little changed, with the **10-year Treasury near 4.22%** and the **2-year around 3.58%**, as investors await the conclusion of the Federal Reserve's policy meeting. Markets widely expect the Fed to hold rates steady at **3.50%–3.75%**, supported by solid growth momentum and easing inflation trends.

European Markets

European equities ended broadly higher on Tuesday as investors welcomed **a landmark trade agreement between the European Union and India** while positioning ahead of a renewed wave of corporate earnings. **Indian Prime Minister Narendra Modi confirmed that India and the EU had finalized what he described as the “mother of all deals,” a free-trade agreement** spanning economies that account for **roughly 25% of global GDP** and nearly one-third of global trade. According to the European Council, the EU's largest exports to India include machinery, transport equipment, and chemicals, while its primary imports consist of machinery, chemicals, and fuels,

underscoring the agreement's industrial and strategic importance.

At the same time, attention is shifting back to earnings, with investors monitoring upcoming reports from **ASML, Volvo, LVMH, and Deutsche Bank**, among others. On Tuesday, results from **Atlas Copco**.

Sandvik, and Logitech International were also in focus.

Stock-level dispersion remained pronounced. **Shares of Puma surged more than 9% after Anta Sports confirmed it would acquire a 29% stake from France's Pinault family for €1.5 billion.** By contrast, Getinge fell nearly 6% after reporting a modest decline in fourth-quarter order intake, with full-year revenue slightly below consensus expectations. Meanwhile, Dr. Martens dropped roughly 11% after posting weaker-than-expected quarterly results and guiding for flat revenue growth in 2026, as a pullback in direct-to-consumer sales offset stronger wholesale performance.

Puerto Rico Banks

Popular, Inc. and First BanCorp both reported better-than-expected **4Q2025** results. Popular delivered **EPS of \$3.53** and **36% full-year earnings growth**, while First BanCorp posted **EPS of \$0.55** with full-year profits up **15.5%**, underscoring continued balance sheet strength and earnings resilience across Puerto Rico's banking sector. Earnings breadth improved, inflation continues to cool, and policy risk remains largely contained—keeping the market's upward bias intact, even as rising sector dispersion rewards fundamentals over narrative.

Corporate Earnings Parade:

- **Popular, Inc. (BPOP):** reported 4Q2025 results with revenues of \$823.8 million, up 9.04%; net income of \$233.9 million, up 10.68%; and Earnings Per Share of \$3.53, topping estimates. The company has a Tier 1 Capital of 15.77 and a stock price target of \$145.70. Full Year 2025 Net Income of \$833,159 million, up 36%. View our Popular Report: [BPOP Overview](#)
- **First BanCorp (FBP):** reported 4Q2025 results with revenues of \$257.17 million, up 6.50%; net income of \$87.101 million, up 15.05%; and Earnings Per Share of \$0.55, topping estimates. The company has a Tier 1 Capital of 16.76% and a stock price target of \$24.00. Full Year 2025 Net Income of \$344,886 million, up 15.45%. View our Popular Report: View our Firstbank Report: [FBP Overview](#)

GDPNow Update:

- The GDPNow for the fourth quarter was updated on January 26 to 5.40% and is unchanged.

Economic Update:

- **U.S. Retail Gas Price:** rose to \$2.933, up from \$2.907 last week.
- **Case-Shiller Composite 20 Home Price Index YoY:** fell to 1.33%, compared to 1.40% last month.
- **Case-Shiller Home Price Index: National:** rose to 328.98, up from 327.77 last month.

Eurozone Summary:

- **Stoxx 600:** closed at 613.11, up 3.54 points or 0.58%.
- **FTSE 100:** closed at 10,207.80, up 58.95 or 0.58%.
- **DAX Index:** closed at 24,894.44, down 38.64 or 0.15%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 49,003.29, down 409.11 points or 0.83%.
- **S&P 500:** closed at 6,978.60, up 28.37 points or 0.41%.
- **Nasdaq Composite:** closed at 23,817.09, up 215.74 points or 0.91%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,883.07, up 10.33 points, or 0.27%.
- **Birling Capital U.S. Bank Index:** closed at 8,997.17, up 105.31 points or 1.18%.
- **U.S. Treasury 10-year note:** closed at 4.24%.
- **U.S. Treasury 2-year note:** closed at 3.53%.



Conference Board Consumer Confidence Index

Conference Board Consumer Confidence Index
January 2025 - January 2026



GDPNow

Fourth Quarter 2025

Date	GDPNow 4Q25	Change
12/23/2025	3.00%	Initial Forecast
1/5/2026	2.70%	-10.00%
1/8/2026	5.40%	100.00%
1/9/2026	5.10%	-5.56%
1/14/2026	5.30%	3.92%
1/21/2026	5.40%	1.89%
1/22/2026	5.40%	0.00%
1/26/2026	5.40%	0.00%

US Retail Gas Price; Case-Shiller Composite 20 Home Price Index YoY & Case-Shiller Home Price Index: National



Global Market Square® es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.