

Global Markets React Negatively to Fed's Minutes Stance, NVIDIA Net Income Rises 428% and Announced a 10-1 Stock Split.

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The U.S. and European stock markets closed the session with losses after the release of the Fed minutes, which showed that some members of the FOMC at the last rate-setting meeting mentioned a willingness to tighten policy further should risks to inflation materialize in a way that such an action became appropriate.

At its last meeting, as widely expected, the Fed kept interest rates unchanged, saying it was more likely to keep them steady for longer than raise them again.

Governor Waller's recent remarks underscored the need for consistent favorable inflation data before considering rate cuts, aligning with a cautious stance on easing policy. The April CPI report was a positive step toward better inflation readings. If this trend continues, one to two rate cuts could occur this year, starting in September. Potential volatility looms with future Fed policy uncertainties and the upcoming presidential election. Nonetheless, rising corporate profits, ongoing economic expansion, and likely lower yields create a favorable market outlook.

The VIX rose to 12.29, up from 11.99 in the previous market, and today's economic calendar was light.

On continuing the Corporate Earnings Parade today, Target Stores (TGT) and NVIDIA's reported earnings. Target's stock fell hard, north of \$11.63, after its earnings report, as the company highlighted that consumers feel the strain on their budgets. Although there was a decline in discretionary spending categories, Target noted an improvement in discretionary sales trends compared to previous quarters.

NVIDIA reported earnings after the market closed, showing revenues rose 262% and net income rose 428%. It also announced a 10-1 stock split; we discuss the data below in more detail.

In Europe, equity markets are down following U.K. data showing slower-than-expected inflation deceleration last month. Meanwhile, WTI oil prices have dipped to \$78, and government bond yields have risen slightly, reflecting market adjustments for a delayed start to rate cuts.

As earnings season winds down, 95% of S&P 500 have reported earnings. The Retailer earnings have provided further insights into consumer behavior, revealing solid demand but signs of strain among lower-income consumers and reduced discretionary spending. Overall, corporate results have exceeded expectations, suggesting S&P 500 earnings are on track to grow around 10% this year. A strong, though gradually slowing, economy is boosting revenue growth, and as input cost pressures ease, profitability is improving. This positive earnings trend supports the ongoing upward momentum in stock markets.

Corporate Earnings Parade:

- **NVIDIA Corp (NVDA)** reported 1Q24 revenues of \$26.044 billion, up 262%, net income of \$14.88 billion, up 428%, and Earnings Per Share of \$5.98, beating expectations. The stock closed at \$949.50, down 0.46%, but it is trading higher after hours. The company has a Price Objective of \$1,038.98. However, it announced a 10-1 forward stock split.

Key Economic Data:

- **U.S. Existing Home Sales:** fell to 4.19 million, down from 4.38 million last month, decreasing - 4.34%.
- **U.K. Consumer Price Index YoY:** fell to 2.30%, compared to 3.20% last month.
- **U.K. Core Consumer Price Index YoY:** fell to 3.84%, compared to 4.21% last month.
- **U.K. Producer Price Index: Input YoY:** is at -1.52%, compared to -2.50% last month.
- **U.K. Producer Price Index: Output YoY:** rose to 1.10%, compared to 0.73% last month

Eurozone Summary:

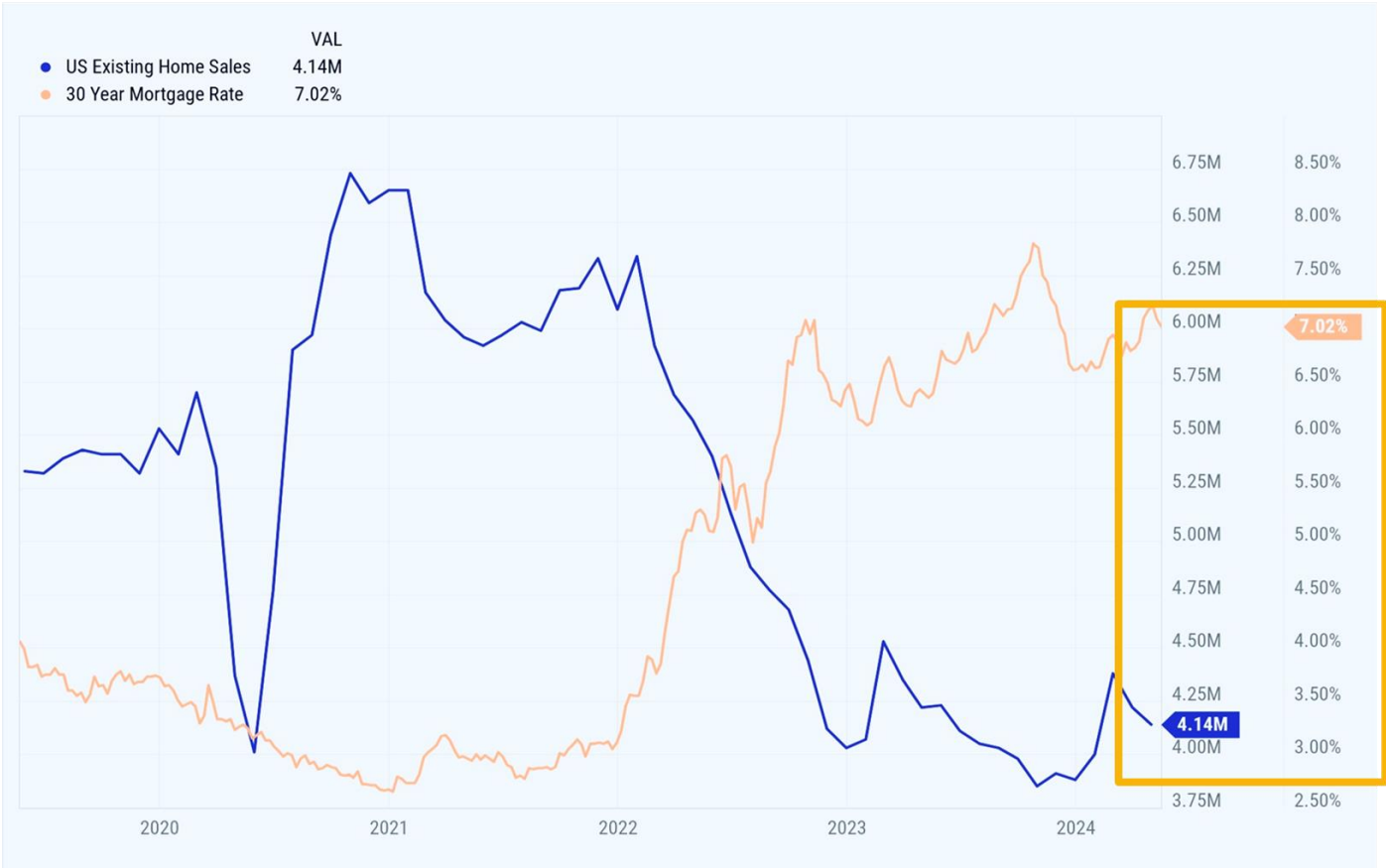
- **Stoxx 600:** closed at 521.18, down 1.77 points or 0.34%.
- **FTSE 100:** closed at 8,370.33, down 46.12 points or 0.55%.
- **Dax Index:** closed at 18,680.20, down 46.56 points or 0.25%.

Wall Street Summary:

- **Dow Jones Industrial Average** closed at 39,872.99, up 66.22 points or 0.17%.
- **S&P 500** closed at 5,321.41, down 14.40 points or 0.27%.
- **Nasdaq Composite** closed at 16,801.54, down 31.08 points or 0.18%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,453.91, up 11.08 points or 0.32%.
- **Birling Capital U.S. Bank Stock Index** closed at 5,280.90, up 92.32 points or 1.78%.
- **U.S. Treasury 10-year note** closed at 4.43%.
- **U.S. Treasury 2-year note** closed at 4.86%.



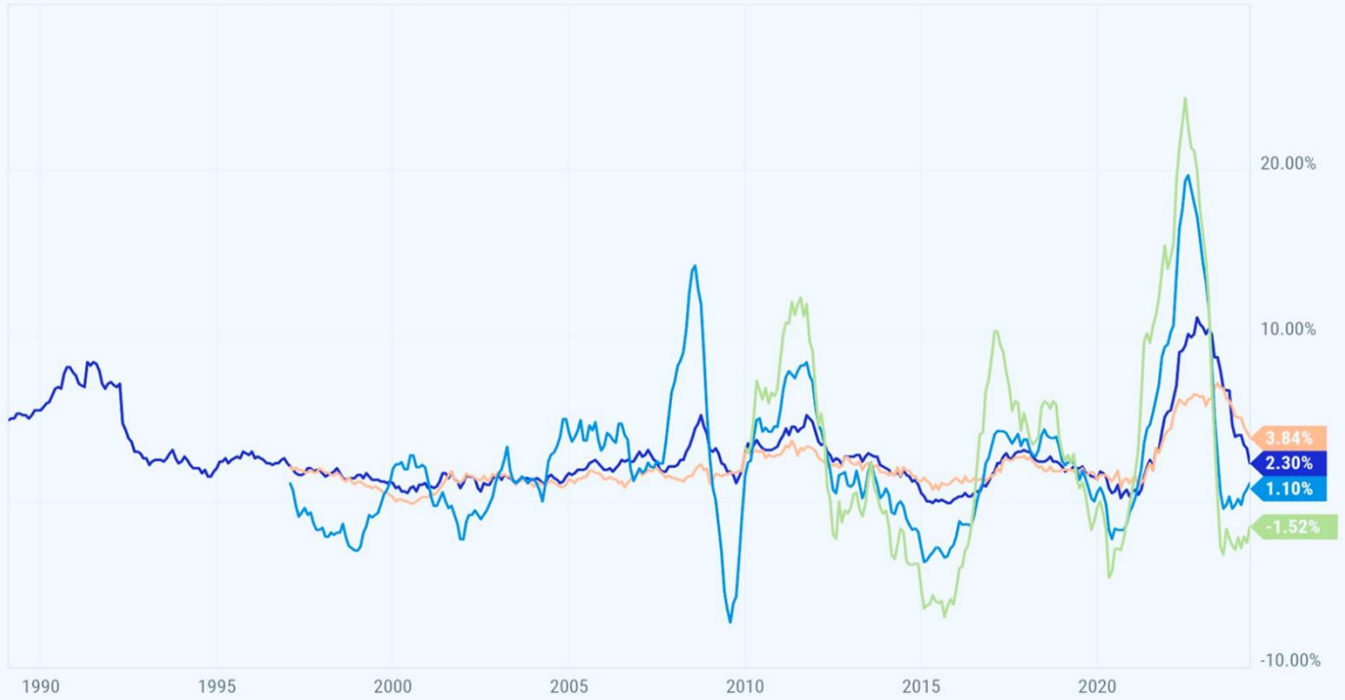
US Existing Home Sales Versus 30-Year Mortgage Rate





UK CPI, UK Core CPI, UK PPI Output, and UK PPI Input

	VAL
● UK Consumer Price Index YoY (I:UKCCXRBU)	2.30%
● UK Core Consumer Price Index YoY (I:UKCCPIYY)	3.84%
● UK Producer Price Index: Output YoY (I:UKPPIOYY)	1.10%
● UK Producer Price Index: Input YoY (I:UKPPIIYY)	-1.52%





Wall Street Recap

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