



## Evertec Reports 105% Surge in Net Income, Lifts 2025 Outlook, and Wall Street Rises on New U.S. – U.K. trade agreement.

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The U.S. and European stock markets closed higher following the announcement of the trade agreement between the U.S. and the U.K. today.

European markets closed higher following the Bank of England's decision to lower its policy rate by 0.25% to 4.25%, and Asian markets finished higher overnight.

Local favorite Evertec, Inc. (NYSE: EVTC) reported a robust first quarter for 2025, highlighted by 105% year-over-year growth in GAAP net income, which reached \$32.7 million, or \$0.50 per share. Bond yields ended the day at 3.90% for the 2-year Treasury and 4.37% for the 10-year Treasury. The U.S. government, led by President Donald Trump, introduced the framework for a new trade agreement with the United Kingdom, marking the first U.S. deal involving a nation affected by the broad tariffs he enacted in early April.

This represents the first trade agreement with a major U.S. trading partner since the U.S. announced wide-ranging tariffs on April 2, delaying them for 90 days to allow for negotiations.

From an economic perspective, an agreement with the U.K. alone would have limited financial impact, in our view, given the broad-based tariffs still in place for the rest of the world. The U.K. was responsible for roughly 2% of U.S. goods imports in 2024 and was the destination for approximately 4% of U.S. goods exports.

However, an agreement with the U.K. sets the framework for further negotiations with other trading partners and provides substance to recent commentary from U.S. policymakers that trade negotiations are progressing. Trade policy will remain focused over the coming days, with U.S. Treasury Secretary Scott Bessent and U.S. Trade Representative Jamieson Greer meeting with Chinese policymakers to begin trade talks this weekend.

Jobless claims tick lower – Initial jobless claims fell to 228,000 last week, in line with expectations and down from the prior reading of 241,000.

Jobless claims remain well below the 30-year average of roughly 360,000 and are modestly below the pre-pandemic average (2015 – 2019) of approximately 240,000.

Besides low jobless claims, last Friday's nonfarm-payroll report suggested that job growth continued to expand at a healthy pace in April. Nonfarm payrolls rose by 177,000, above expectations of 138,000, while the unemployment rate held steady at 4.2%. We expect labor-market conditions could ease from current levels as businesses adapt to potentially slower economic growth. However, we don't expect labor-market conditions to collapse, and we believe they will broadly support household spending throughout 2025.

## Corporate Earnings Parade:

- **Evertec, Inc. (EVTC):** reported 1Q25 revenues of \$228.8 million, up 11%, net income of \$56.3 million, up 105%, and Earnings Per Share of \$0.87, surpassing estimates. The Stock has a stock price objective of \$37.00.
- View our report of Evertec here: [EVTC Overview](#)

## Economic Update:

- **US Initial Claims for Unemployment Insurance:** fell to 228,000, down from 241,000 last week, dropped -5.39%.
- **US Productivity:** fell to -0.80%, compared to 1.70% last quarter, dropped 2.18%.
- **US Wholesale Inventories MoM:** fell to 0.32%, compared to 0.80% last month, dropped 0.40%.
- **30 Year Mortgage Rate:** fell to 6.76%, compared to 6.81% last week, dropped 7.71%.
- **Germany Exports MoM:** rose to 1.80%, compared to -0.00% last month, increasing 0.28%.
- **Germany Industrial Production Index MoM:** rose to 3.00%, compared to -1.30% last month, increasing -0.01%.
- **Germany Trade Balance:** rose to 17.70B, up from 16.00B last month, increasing 10.62%.

## Eurozone Summary:

- **Stoxx 600:** Closed at 535.63, up 2.16 points or 0.40%.
- **FTSE 100:** Closed at 8,531.61, down 27.72 or 0.32%.
- **DAX Index:** Closed at 23,352.69, up 236.73 or 1.02%.

## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,368.45, up 254.48 points or 0.62%.
- **S&P 500:** closed at 5,663.94, up 32.66 points or 0.58%.
- **Nasdaq Composite:** closed at 17,928.14, up 189.98 points or 1.07%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,755.68, up 4.29 points or 0.11%.
- **Birling Capital U.S. Bank Index:** closed at 6,246.63, up 21.78 points or 0.35%.
- **U.S. Treasury 10-year note:** closed at 4.37%.
- **U.S. Treasury 2-year note:** closed at 3.90%.

# US Initial Claims for Unemployment Insurance; US Productivity; US Wholesalers Inventories MoM & 30 Year Mortgage Rate





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