

GLOBAL MARKET SQUARE



Global Markets Close Mixed Amid Rising Tensions in Ukraine, While Walmart's Strong Earnings Point to Resilient Consumer Demand, US Treasury Yields are Down.

November 19, 2024

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The US and European markets closed mixed as equity markets are experienced some declines following reports that Ukraine has begun utilizing U.S.-made weapons on Russian territory. However, as the trading day went on it was able to shrug off some of the losses as the S&P 500 and the Nasdaq closed with gains. Asian markets closed higher, influenced by comments from the Bank of China as investors await the bank's interest rate decision on Wednesday. European markets closed broadly lower as investors shift to safer assets, while the US dollar is strengthening against major currencies. In commodities, both WTI oil and gold are seeing gains.

Walmart's Earnings Offer Insight into Consumer Trends as Focus Shifts to NVIDIA – Walmart's third-quarter earnings revealed a 5.5% y-o-y increase in revenue, surpassing the expected 4.3% growth. The company reported intense customer traffic across its various business segments. These results suggest that consumers remain resilient heading into the holiday season. Meanwhile, NVIDIA, a leader in artificial intelligence, will report its third-quarter earnings on Wednesday, with estimates predicting earnings per share of \$0.75. With 93% of companies having already reported, earnings are expected to grow by about 5.5% year-over-year. Performance has generally exceeded expectations, with 74% of companies surpassing analyst estimates. Earnings growth has been widespread, with seven of the 11 sectors posting higher earnings.

Bond Yields Decline as Investors Seek Safe-Haven Assets – Bond yields have decreased, with the 10-year Treasury yield closing at 4.39%, as rising tensions between Russia and Ukraine lead investors to seek safer assets. This decline marks a reversal from the recent upward trend in bond yields as markets adjust expectations for Federal Reserve interest rate cuts. As inflation moderates and the labor market stabilizes from rapid growth, the Fed's dual mandate of maximum employment and price stability is improving. The lower yields keep the Fed on track for gradual interest rate cuts, although the pace may slow.

Corporate Earnings Parade:

- **Walmart, Inc. (WMT)** reported that in the third quarter of 2024, revenues were \$169.6 billion, up 5.5%, the net income was \$4.58 billion, and the earnings per share was \$0.58, which beat estimates. Walmart has a Stock Price Objective of \$87.47. The Stock closed at \$86.59 up 2.99%.

Key Economic Data:

- **US Housing Starts:** fell to 1.311 million, down from 1.353 million last month, decreasing -3.10%.
- **US Building Permits:** fell to 1.416 million, down from 1.425 million last month.
- **Canada Consumer Price Index YoY:** rose to 2.02%, compared to 1.64% last month.
- **Canada Inflation Rate:** rose to 2.02%, compared to 1.64% last month.

- **Eurozone Inflation Rate:** Excluding Energy, Food, Alcohol, and Tobacco is unchanged at 2.70%, compared to 2.70% last month.
- **China Loan Prime Rate:** fell to 3.10%, compared to 3.35% last month.

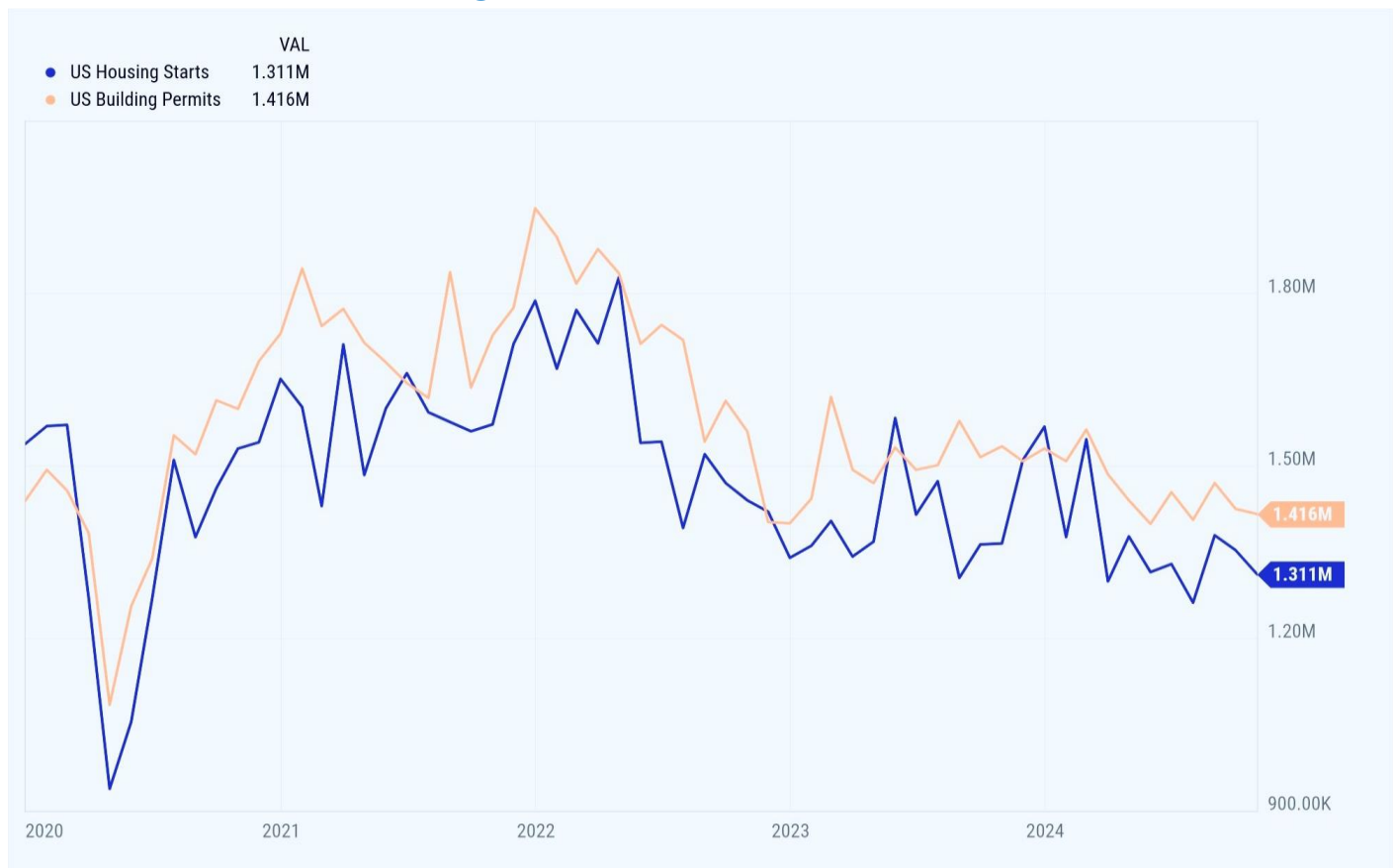
Eurozone Summary:

- **Stoxx 600:** Closed at 500.60, down 2.24 points or 0.45%.
- **FTSE 100:** Closed at 8,099.02, down 10.30 points or 0.13%.
- **DAX Index:** Closed at 19,060.31, down 128.88 points or 0.67%.

Wall Street Summary:

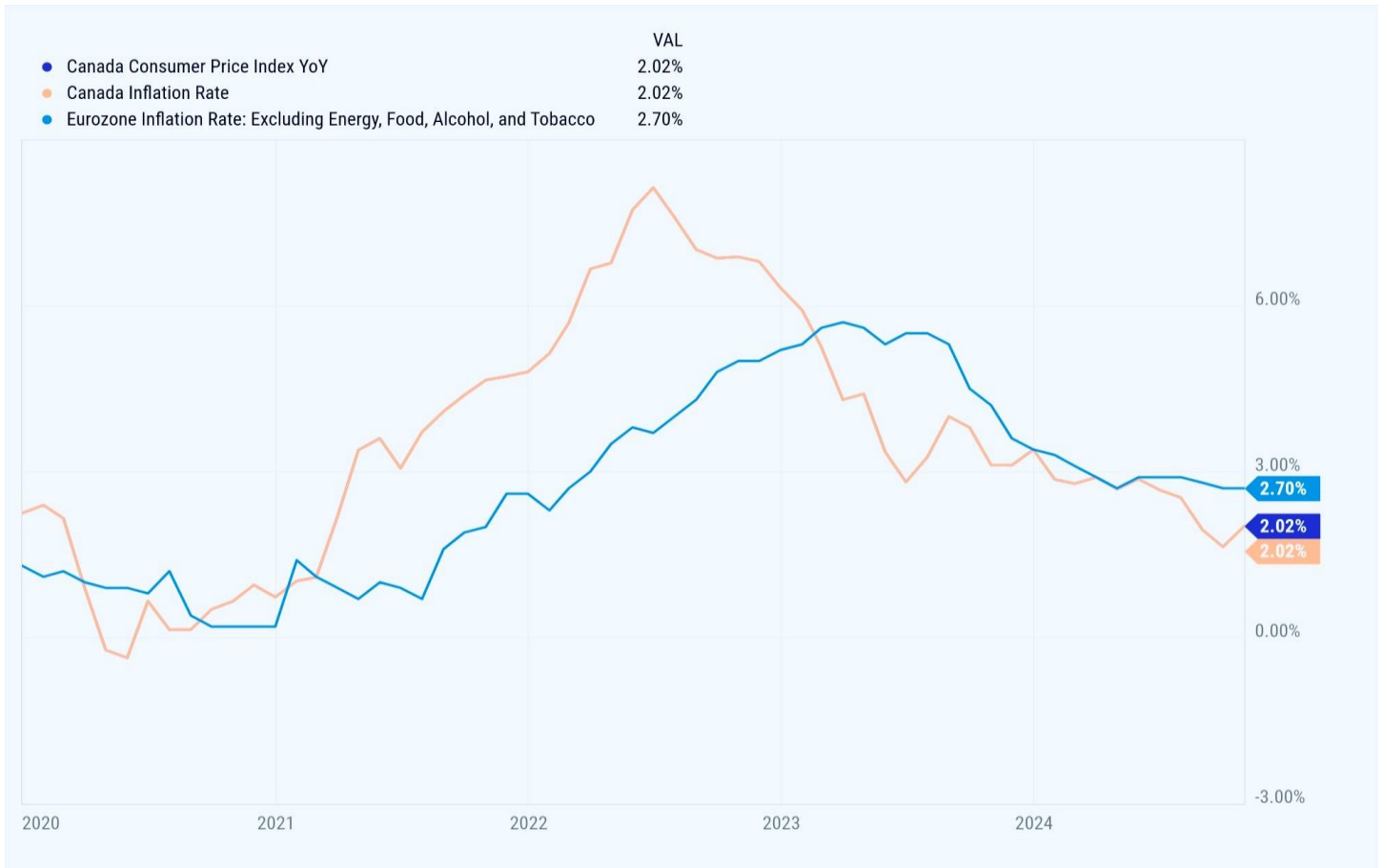
- **Dow Jones Industrial Average:** closed at 43,268.94, down 120.66 points or 0.28%
- **S&P 500:** closed at 5,916.98, up 23.36 points or 0.40%.
- **Nasdaq Composite:** closed at 18,987.47, up 195.66points or 1.04%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,785.35, down 11.92 points or 0.31%.
- **Birling Capital USUS Bank Stock Index:** closed at 6,471.10, down 14.60 points or 0.23%.
- **US Treasury 10-year note:** closed 4.39%.
- **US Treasury 2-year note:** closed 4.27%.

11.19.24
US Housing Starts
US Building Permits



11.19.24

Canada Consumer Price Index YoY, Canada Inflation Rate, Eurozone Inflation Rate



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.