

GLOBAL MARKET SQUARE



Bank of America, Citigroup and Goldman Sachs Report 3Q24 Earnings Beating Estimates, and Wall Street Falls.

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The U.S. and European stock markets closed with losses, taking a break to evaluate the latest corporate earnings results. Although the three major indices experienced a downturn on Tuesday, they remain up for the month and appear poised to navigate through the traditionally turbulent electoral process period.

The Dow Jones led the parade down, losing 324.80 points, followed by the Nasdaq with 187.10 points and the S&P 500 with 44.59 points.

In global markets, Chinese stocks declined following disappointing trade figures for September, as both exports and imports fell short of projections. Meanwhile, the U.S. dollar is weakening against major currencies. WTI crude oil has dropped amid expectations of declining commodity market demand, while gold prices remain relatively stable.

As the third-quarter corporate earnings season unfolds, results are exceeding initial forecasts. Of the companies that have reported their earnings, 79% surpassed analyst expectations, with an average surprise of 6.9%. Earnings growth is anticipated to be widespread, with eight out of eleven sectors expected to show year-over-year gains. This broadening performance could facilitate a shift in market leadership away from the technology and communications sectors, which previously drove market gains earlier in the year.

In the bond market, yields are edging down, with the 10-year Treasury yield closing at 4.03%. Currently, the bond market reflects expectations of approximately 1.5% in interest rate cuts from the Federal Reserve over the next year. As the Fed navigates its dual objectives of maximizing employment and maintaining price stability, these goals are reaching a more balanced state. The labor market is normalizing after a period of extraordinary strength, and inflation is gradually easing, suggesting that the Fed may be poised to continue reducing rates. Such cuts would likely lower borrowing costs for businesses and consumers, fostering economic growth and enhancing corporate profitability.

Corporate Earnings Parade:

- **Bank of America Corp. (BAC):** reported 3Q24 revenues of \$25.3 billion, up 0.36%, net income of \$6.9 billion, down 11.53%, and earnings per share of \$0.81, beating estimates. BAC has a stock price objective of \$45.32, with a Tier 1 Capital Ratio of 11.8%.
- **Citigroup, Inc. (C):** reported 3Q24 revenues of \$20,315 billion, up 1%, net income of \$3,238 billion, down 9%, and earnings per share of \$1.51. Citi has a stock price objective of \$72.93 and a Tier 1 Capital Ratio of 15.20%.

- **Goldman Sachs Group, Inc. (GS):** reported 3Q24 revenues of \$12.7 billion, up 7%, net income of \$2,999 billion, up 45%, and earnings per share of \$8.40. Goldman has a stock price objective of \$526.63 and a Tier 1 Capital Ratio of 13.70%.

Key Economic Data:

- **U.S. Retail Gas Price:** It fell to \$3.26, down from \$3.303 last week and decreasing -1.30%.
- **Canada Consumer Price Index YoY:** fell to 1.64%, compared to 1.95% last month.
- **Canada Core Consumer Price Index MoM:** rose to 0.20%, compared to 0.07% last month.
- **Canada Inflation Rate:** fell to 1.64%, compared to 1.95% last month.
- **Eurozone Industrial Production Index YoY:** rose to 0.10%, compared to -2.10% last month.
- **ZEW Indicator of Economic Sentiment for Germany:** rose to 13.10, up from 3.60 last month and increasing 263.9%.
- **UK ILO Unemployment Rate: Aged 16-64:** fell to 4.10%, compared to 4.20% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 520.57, down 4.19 points or 0.80%.
- **FTSE 100:** Closed at 8,249.58, down 43.38 points or 0.52%.
- **DAX Index:** Closed at 19,486.19, down 22.10 points or 0.11%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,740.42, down 324.80 points or -0.75%.
- **S&P 500:** closed at 5,815.26, down 44.59 points or -0.76%.
- **Nasdaq Composite:** closed at 18,315.59, down 187.10 points or -1.01%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,841.52, up 20.97 points or 0.55%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,710.14, up 45.18 points or 0.80%.
- **U.S. Treasury 10-year note:** closed at 4.03%.
- **U.S. Treasury 2-year note:** closed at 3.95%.



US Retail Gas Price, Canada CPI, Canada Core CPI MoM & Canada Inflation Rate

	VAL
● US Retail Gas Price (I:USRGP)	3.26
● Canada Consumer Price Index YoY (I:CPIYY)	1.64%
● Canada Core Consumer Price Index MoM (I:CCCPI)	0.20%
● Canada Inflation Rate (I:CIRUMY)	1.64%





Eurozone Industrial Production, ZEW Indicator of Economic Sentiment for Germany & UK ILO Unemployment Rate

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● Eurozone Industrial Production Index YoY (I:ECIPN0K1)	0.10%
● ZEW Indicator of Economic Sentiment for Germany (I:ZEWIESG)	13.10
● UK ILO Unemployment Rate: Aged 16-64 (I:UKILSEZC)	4.20%





Wall Street Recap

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