

Netflix Earnings and Apple China Sales Boost Lift Markets; Oil Drops Below \$70, China's Stimulus Sparks Rally Despite Slowing GDP.

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The U.S. and European stock markets closed mostly up, with technology stocks driving gains today, sustaining the market's positive momentum. Netflix's stronger-than-expected earnings, upbeat guidance, and positive reports on Apple's iPhone sales in China have boosted tech stocks. Meanwhile, the Dow is underperforming slightly, weighed down by declines in the energy and financial sectors. Oil prices have fallen, with WTI crude dipping below \$70, heading for its steepest weekly drop in a month—a favorable sign for inflation and consumer spending. In global markets, Chinese equities surged overnight. The central bank provided details on upcoming measures, including plans to cut the reserve requirement ratio by year-end to encourage bank lending. Chinese economic data continues to send mixed signals, though policy support is lifting investor sentiment. While Chinese markets have been volatile, they have outperformed other regions over the past month as government efforts to stimulate growth intensify. China's GDP grew by 4.70% in the third quarter, the slowest rate in six quarters and below its 5% target. In addition, September retail sales showed signs of improvement, suggesting economic activity may be bottoming out. The central bank has outlined additional measures to strengthen capital markets, and President Xi Jinping has reaffirmed the country's commitment to achieving its economic goals. This wave of stimulus has sparked a sharp rally in Chinese equities, though concerns linger about whether these efforts will be sufficient to stabilize the economy. Nonetheless, we anticipate continued policy support, low investor sentiment, and attractive stock valuations will improve the short-term outlook for Chinese and emerging-market equities.

Earnings season will center next week, with around 25% of S&P 500 companies set to release third-quarter results, including Tesla and Amazon from the Magnificent 7. Early results have been positive, with central banks reporting earnings above estimates. Consensus expectations for S&P 500 earnings growth have risen from 4.2% to 6.5%, marking the fifth consecutive quarter of positive growth. The tech sector is still expected to contribute.

Key Economic Data:

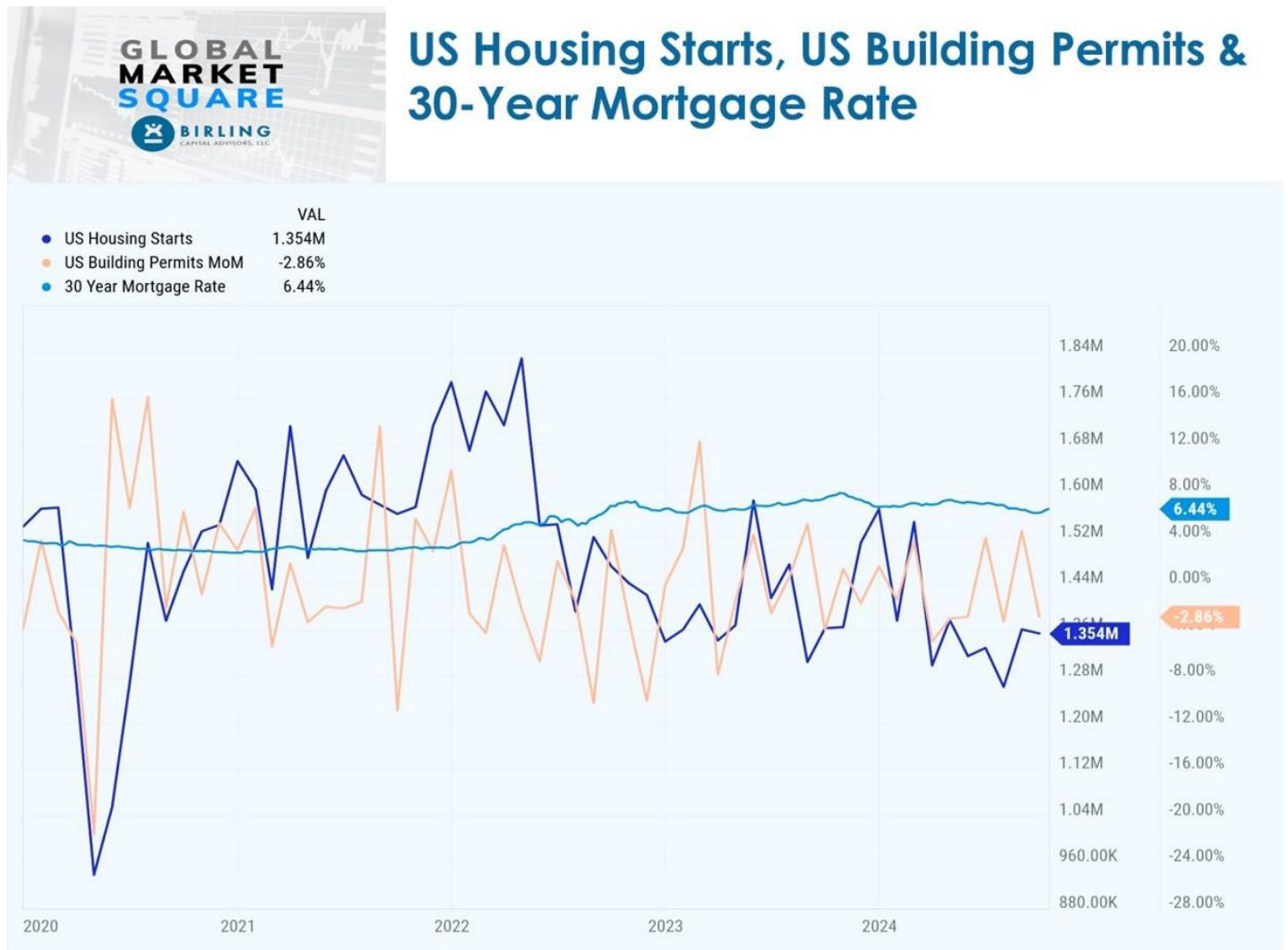
- **U.S. Housing Starts:** fell to 1.354 million, down from 1.361 million last month, decreasing -0.51%.
- **U.S. Building Permits:** fell to 1.428 million, down from 1.47 million last month, decreasing -2.86%.
- **U.K. Retail Sales YoY:** rose to 3.90%, compared to 2.30% last month.
- **China Real GDP YoY:** fell to 4.70%, compared to 5.30% last quarter.

Eurozone Summary:

- **Stoxx 600:** Closed at 524.99, up 1.08 points or 0.21%.
- **FTSE 100:** Closed at 8,358.25, down 26.88 points or 0.32%.
- **DAX Index:** Closed at 19,657.37, up 73.98 points or 0.38%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,275.91 up 36.86 points or 0.09%.
- **S&P 500:** closed at 5,864.67, up 23.20 points or 0.40%.
- **Nasdaq Composite:** closed at 18,489.55, up 115.94 points or 0.63%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,815.67, up 31.25 points or 0.83%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,816.69, up 0.42 points or 0.01%.
- **U.S. Treasury 10-year note:** closed at 4.08%.
- **U.S. Treasury 2-year note:** closed at 3.95%.



UK Retail Sales YoY, & China Real GDP YoY





Wall Street Recap

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