

# Oriental's 5.68% Earnings Gains Highlights Local Resilience as Wall Street Falls on Trade Tensions.

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The **U.S. and European stock markets ended mostly lower** as investors continued to weigh a mix of strong third-quarter earnings results, trade policy crosscurrents, and the ongoing government shutdown now stretching deeper into its fourth week. **Most U.S. equities fell** on Wednesday as **renewed U.S.-China trade tensions** and weak corporate earnings weighed on sentiment. The **Dow Jones Industrial Average** dropped **334.33 points**, while the **S&P 500** slipped **0.53%** and the **Nasdaq Composite** declined **0.93%**.

Wall Street came under pressure after **Treasury Secretary Scott Bessent** confirmed that the White House is considering new curbs on exports to China involving U.S.-made software. The announcement follows President **Donald Trump's** earlier warning that restrictions on "all critical software" would take effect by **November 1**.

**Local favorite OFG Bancorp (OFG)** posted **revenue growth of 5.68%** and **EPS of \$1.16**, surpassing forecasts and underscoring solid profitability with a **Tier 1 capital ratio of 14.13%**. **Meanwhile, Hilton Worldwide (HLT)** delivered **revenue growth of 8.8%** and **EPS of \$1.78**, up **22% year-over-year**, driven by strong travel demand and operational efficiency. We highlight the results below. After the market **closed, Tesla (TSLA)** reported a **12% rise in third-quarter revenue to \$28.1 billion**, marking its first growth after two consecutive declines. The result topped expectations of \$26.37 billion, but **earnings per share of \$0.50** fell short of the **\$0.54** consensus, sending the stock down about **1%** in after-hours trading.

Automotive revenue climbed **6% to \$21.2 billion**, boosted by a late-quarter surge in sales as consumers rushed to secure the expiring **federal EV tax credit**.

These results reflect broad corporate resilience amid slower growth, higher tariffs, and limited data visibility during the shutdown.

In fixed income, U.S. government bonds advanced modestly, reflecting growing conviction that the Federal Reserve could reduce rates toward 3% over the next twelve months. However, Treasury yields and prices were little changed in today's session, suggesting the market is waiting for new data to confirm the trajectory of growth and inflation.

Commodities painted a more dynamic picture. Gold extended its sharp monthly decline, now trading nearly 7% below its early-October peak of \$4,060 per ounce. Still, despite this pullback, the precious metal remains up about 5% for the month, underscoring its resilience amid shifting risk sentiment. Meanwhile, oil prices gained over 2% after reports that the U.S. and India are nearing an agreement to curb India's imports of Russian crude. Even so, with West Texas Intermediate (WTI) still hovering below \$60 per barrel, energy markets remain subdued relative to recent years.

## European Markets Edge Lower as L'Oréal Slides; Barclays Shines

European stocks closed slightly lower on Wednesday, with the **Stoxx 600** down **0.18%** as earnings remained in focus.

**Barclays** gained **4.9%** after lifting guidance and announcing a **£500 million** share buyback, while **L'Oréal** tumbled **6.7%** after quarterly growth missed expectations despite **3.4%** sales growth. **Heineken** rose **1%** as it narrowed forecasts despite softer beer demand, and **Hermès** slipped **2.3%** on slower luxury sales. **DNB Bank** edged lower **by 4.9%** after weaker net interest income.

## Encouragement from Earnings

The tone from early third-quarter earnings has been encouraging. Roughly 85% of S&P 500 companies reporting so far have exceeded analyst expectations—on pace for the strongest earnings beat rate in four years. Although results have come from only about one-fifth of the index's market capitalization, the data suggest that corporate America continues to demonstrate resilience amid trade headwinds and elevated tariffs.

Healthy balance sheets and disciplined cost management are helping many firms navigate slower GDP growth and a cooling labor market. In the absence of new government data due to the shutdown, corporate results are serving as an essential pulse check on the economy's underlying strength.

## Fed Moves Toward Softer Capital Rules

In policy developments, the Federal Reserve proposed a more moderate approach to capital requirements for the nation's largest banks. The updated plan marks a further step down from the more stringent Biden-era framework outlined in 2023, which had envisioned sizable capital increases across major financial institutions.

The revised proposal seeks a balance between maintaining systemic stability and allowing greater flexibility for banks to lend and invest. While higher capital cushions improve resilience against credit losses, they can also weigh on profitability and constrain credit creation. In our view, this latest shift aligns with the Trump administration's broader deregulatory priorities and could support stronger loan growth in the years ahead. As new leadership teams take shape across financial regulatory agencies, a more pro-growth policy stance may emerge as a defining theme heading into 2026.

## Corporate Earnings Parade:

- **OFG Bancorp (OFG)** reported 3Q25 revenues of \$183,980 million, increasing 5.68%, net income of \$61,371 million, and earnings per share of \$1.16, topping estimates, with a Tier 1 Capital of 14.13%. OFG has a stock price objective of \$50.00. Check Our Report: [OFG Overview](#)
- **Hilton Worldwide Holdings, Inc. (HLT)** reported 3Q25 revenues of \$3,120 billion, increasing 8.82% net income of \$421 million, rising 22.38% and earnings per share of \$1.78, topping estimates. Hilton has a stock price objective of \$274.83. Check Our Report: [HLT Overview](#)

## Economic Data:

- **UK Consumer Price Index YoY:** is unchanged at 3.80%, compared to 3.80% last month.
- **UK Core Consumer Price Index YoY:** fell to 3.50%, compared to 3.57% last month.
- **UK Average House Price YoY:** fell to 2.98%, compared to 3.17% last month.

## Eurozone Summary:

- **Stoxx 600:** Closed at 572.29, down 1.01 points or 0.18%.
- **FTSE 100:** Closed at 9,515.00, up 88.61 points or 0.93%.
- **DAX Index:** Closed at 24,151.13, down 178.90 points or 0.78%.

## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,590.41, down 334.33 points or 0.71%.
- **S&P 500:** closed at 6,699.40, down 35.95 points or 0.53%.
- **Nasdaq Composite:** closed at 22,740.39, down 213.27 points or 0.93%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,956.60, down 20.68 points or 0.52%.
- **Birling Capital U.S. Bank Index:** closed at 8,145.52, down 103.82 points or 1.26%.
- **U.S. Treasury 10-year note:** closed at 3.97%.
- **U.S. Treasury 2-year note:** closed at 3.45%.

## UK Consumer Price Index YoY; UK Core Consumer Price Index YoY & UK Average House Price YoY





# Wall Street Recap October 22, 2025



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