GLOBAL MARKET SQUARE

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Popular and FirstBank Post Strong Earnings Results as Markets Close Higher Ahead of CPI Inflation Data.

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The **U.S. and European stock markets closed higher** on Thursday as investors look **ahead to tomorrow's key U.S. Consumer Price Index (CPI)** report, the first major economic release since the federal government shutdown began four weeks ago—now the second-longest in U.S. history. Defensive sectors such as health care and utilities continue to outperform, while financials lag amid renewed credit concerns, particularly among regional banks. The 10-year U.S. Treasury yield rose to 3.98%, and the U.S. dollar advanced against major currencies.

In commodities, WTI crude climbed after Washington imposed new sanctions on Russian energy giants Lukoil and Rosneft, signaling mounting pressure on Moscow over stalled Ukraine peace talks. Asian markets closed mostly higher, led by South Korea, after the Bank of Korea held its policy rate steady at 2.5%, as expected.

Earnings Season Shows Encouraging Momentum

Corporate earnings season is off to a solid start. Tesla reported mixed results late Wednesday, with revenue surpassing estimates but earnings falling short. Overall, S&P 500 earnings are projected to rise 8.7% year-over-year, marking the strongest growth in over six quarters. Seven of eleven sectors are expected to post positive earnings growth, led by technology, financials, and utilities.
This broad-based earnings recovery could fuel more balanced market leadership across sectors, supporting portfolio diversification. However, with valuations stretched, continued earnings growth remains the key catalyst for further upside in the equity market.

CPI to Test Inflation Trajectory

Tomorrow's CPI inflation report for September is forecast to show headline inflation rising to 3.1% year-over-year, up from 2.9% in August, the highest level since May 2024. Core CPI, which excludes volatile food and energy components, is expected to remain steady at 3.1%.
We expect inflation to edge higher in the near term as tariff-related costs filter through to consumers. Still, much of this pressure is likely temporary, with long-term inflation expectations remaining well anchored — the bond market currently prices in an average 10-year inflation rate of 2.29%.

European Markets Advance on Strong Earnings

European markets traded broadly higher as investors digested a wave of corporate earnings. Shares of Gucci-owner **Kering** surged 9% after stronger-than-expected results, while solid performances from **Roche Holding, Unilever, Vinci, Thales, LSEG, Dassault Systèmes, Antofagasta, Swedbank, Nokia**, and **Lloyds Banking Group** added to optimism across the region.

Corporate Earnings Parade:

- **Popular, Inc. (BPOP):** reported 3Q25 revenues of $8177 million, increasing 11.01%, net income of $211,317 million,up 0.42% and earnings per share of $3.15, topping estimates, with a Tier 1 Capital of 15.84%. Popular has a stock price objective of $145.56. Check Our Report: [BPOP Overview]
- **First BanCorp. (FBP):** reported 3Q25 revenues of $248.7 million, increasing 6.01% net income of $100.52 million, rising 36.34% and earnings per share of $0.63, topping estimates. Firstbank has a stock price objective of $25.33. Check Our Report: [FBP Overview]

Economic Data:

- **U.S. Existing Home Sales:** Fell to 4.000 million, down from 4.01 million last month, a decrease of 0.25%.
- **30 Year Mortgage Rate:** fell to 6.27%, compared to 6.30% last week.
- **Kansas City Fed Manufacturing Production Index:** rose to 4.000, up from 0.000 last month.
- **Eurozone Consumer Confidence Indicator:** is at -14.90, up from -15.50 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 95.50, up from 95.30 last month.
- **Japan Consumer Price Index YoY:** fell to 2.70% from 3.10% last month.
- **China Exports YoY:** rose to 8.25%, compared to 4.34% last month.
- **China Imports YoY:** rose to 7.33%, compared to 1.04% last month.
- **China Trade Balance:** fell to 90.45B, down from 102.33B last month.

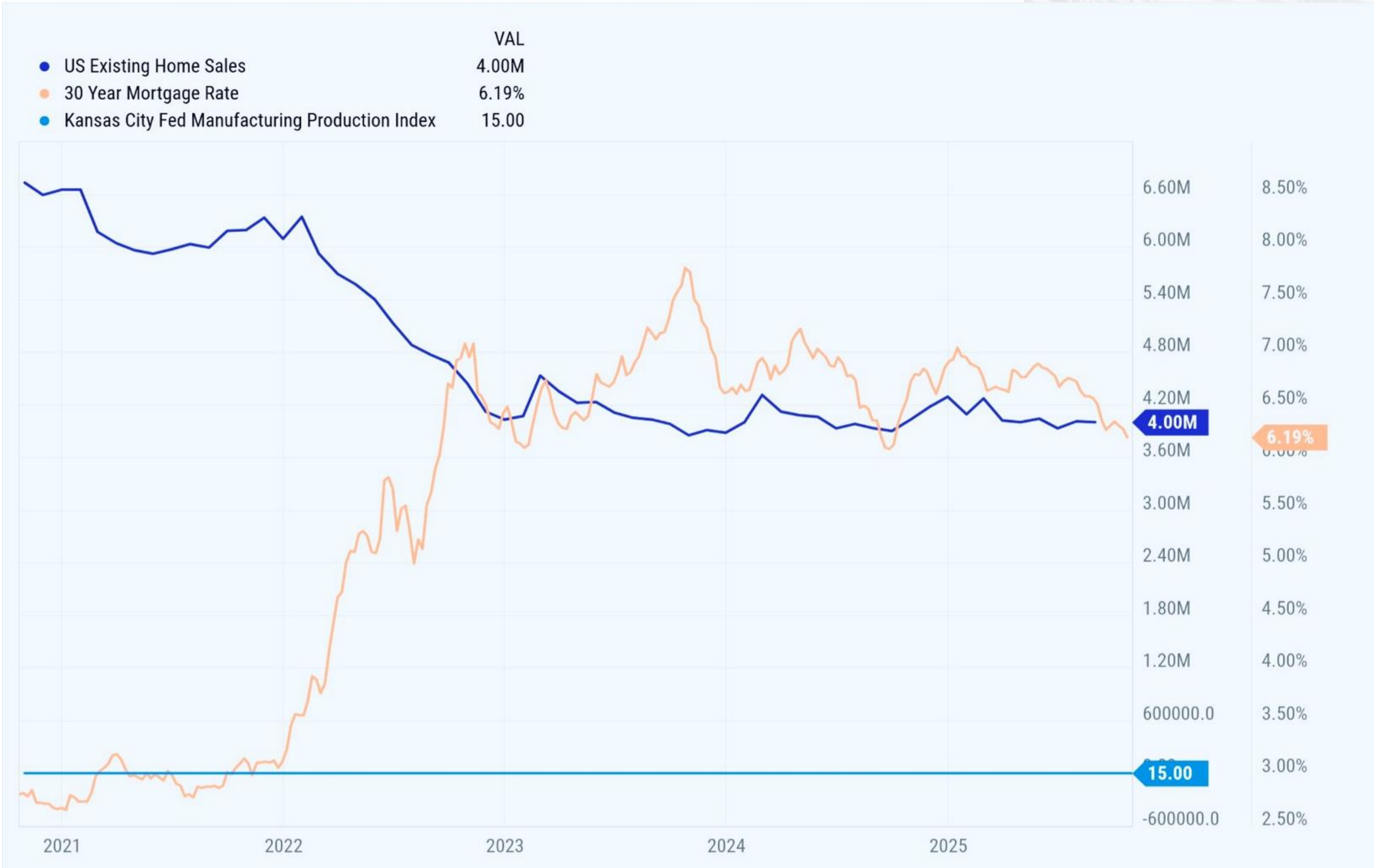
Eurozone Summary:

- **Stoxx 600:** Closed at 574.43, up 2.14 points or 0.37%.
- **FTSE 100:** Closed at 9,578.57, up 63.57 points or 0.67%.
- **DAX Index:** Closed at 24,207.79, up 56.66 points or 0.23%.

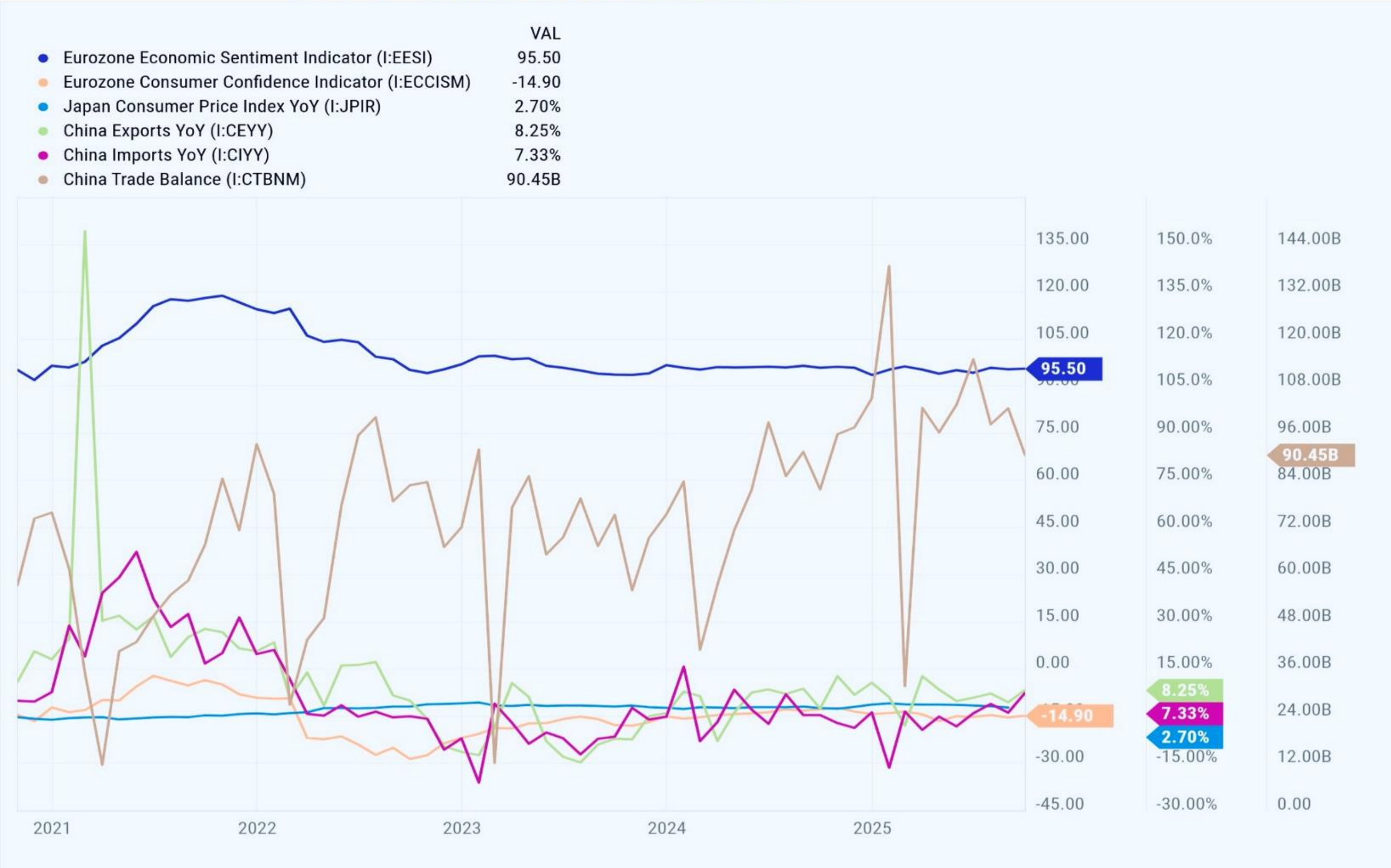
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,734.61, up 144.20 points or 0.31%.
- **S&P 500:** closed at 6,738.44, up 39.04 points or 0.58%.
- **Nasdaq Composite:** closed at 22,941.80, up 201.40 points or 0.89%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,855.57, down 99.03 points or 2.50%.
- **Birling Capital U.S. Bank Index:** closed at 8,045.23, down 100.29 points or 1.23%.
- **U.S. Treasury 10-year note:** closed at 4.01%.
- **U.S. Treasury 2-year note:** closed at 3.48%.

US Existing Home Sales; 30 Year Mortgage Rate & Kansas City Fed Manufacturing Production Index



Eurozone Economic Sentiment Indicator; Eurozone Consumer Confidence Indicator; Japan Consumer Price Index YoY; China Exports YoY; China Imports YoY & China Trade Balance



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May '25
Jul '25
Sep '25
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Jan '25
Mar '25
May '25
Jul '25
Sep '25
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May '25
Jul '25
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May '25
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Sep '25
VAL
Birling Capital U.S. Bank Index Level 8045.23
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Jan '25
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