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From Wall Street to Main Street

Highlights from the past week



Erick J Palacios, MBA



Jon Xynidis



Randall Beardsley

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Market / Macro Economic Summary

Markets are seeing a decline, the first one of note since almost a week and half. The Dow Jones has rebounded very well since the March lows and the Nasdaq (which is a very technology heavy index) is positive on the year. I want to restate that there I see a lot of optimism into the recovery that just does not quite sit too well. While we are still looking for a cure, more testing availability and states across our country are reopening, I believe the markets are pricing in having no hiccups in the next 6 months. We will continue to monitor tons of data and earnings reports to make sure stay invested in the right parts of the stock markets.

Company Specific / Macro Economic Summary

Zoom (ZM)

Shares fell 4% as the company reported numbers but it had already "run up" into the quarter. Revenues grew 189% from the same time period a year ago. Analysts expected 9 cents per share, but the company came in at a whopping 20 cents per share of earnings. Revenues of \$328.2 million were also way above the expectations of \$202.7 million. CEO Eric Yuan said even though competition is getting stronger from Microsoft's teams app, Facebook's video-calling feature on messenger and Verizon buying smaller competitor Blue Jeans, he feels the company is primed for more success.

Slack (TEAM)

Shares fell 14% as the company reported decent but not "blow out" growth in the most recent quarter. Revenues grew 50% from a year ago to \$201.7 million and were ahead of the \$188.12 million expectations. Earnings per share of .02 cents where higher than the .06 cents loss analysts were expecting. CEO Stewart Butterfield said the company added 90,000 new subscribers but only 12,000 of that were paid subs.

Broadcom (AVGO)

Stock was relatively unchanged as it reported good quarterly numbers but was a bit short on estimates for the upcoming quarter. Earnings per share of \$5.14 were spot on the expected number and revenues of \$5.74 billion were ahead of the \$5.69 billion Wall Street was looking for. CEO Hock Tan said he expects robust demand in cloud, telecom and enterprise products but slower demand on its wireless division. HE also mentioned having some supply-chain constraints as well.

MongoDB (MDB)

Shares dropped just about 9% as the company reported very strong sales but projected weaker than expected results for the rest of the year. Earnings per share came in at a loss of 13 cents but analysts expected a loss of 25 cents. Revenues of \$130.3 million were also well ahead of the \$119.7 million estimates. With revenues having climbed 46% in the quarter, this makes almost four years that the company reports double digit revenue growth.

Parting Thoughts

We welcome an opportunity to discuss the above detail and wish you much success in the rest of your week!

Regards,

E. Palacios

Erick J. Palacios, MBA