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## From Wall Street to Main Street

*Highlights from the past week*



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### Market / Macro Economic Summary

Markets have rallied to all-time highs as investors see the “greenlight” scenario that I discussed last week playing out. Adding to that the reported news of an agreement on a federal stimulus plan and certain stocks that are levered to infrastructure have also rallied. All in all, I believe the set up for the rest of year will remain positive. As anything related to investment goes, it will not be a straight line higher until year end, but the positive trend should continue. For the moment we are slow in terms of the number of companies that remain to report earnings, so we start the count down towards mid-July when the next quarter of earnings kick off with the banks.

### Company Specific / Macro Economic Summary

#### Nike (NKE)

Shares are surging 14% on the heels of a strong earnings report and raised guidance for the year. Earnings per share of 93 cents was way ahead of the estimates for 51 cents. Revenue of \$12.34 billion was also higher than the Wall Street expectations for \$11.01 billion. Sales growth was 141% over last year and if we compare it to pre-pandemic levels, they were 29% higher than the fourth quarter of 2019. The Jordan brand was also a highlight in the quarter as its sales grew 31% to just over \$5 billion dollars in the last fiscal year. Another highlight from CEO Jim Donahoe was the 41% jump in digital sales for the quarter.

#### Darden Restaurants (DRI)

Shares were higher as the company reported quarterly numbers that came close to matching results from pre-pandemic quarters. Earnings per share of \$2.03 were higher than the expectations for \$1.79. Revenue for the quarter was \$2.28 billion which also topped estimates for \$2.19 billion. Same store sales for Olive Garden, which account for roughly half of the conglomerate’s revenues, rose 61.9% from the same period a year ago. Longhorn Steakhouse also saw tremendous growth as its sales grew 13.5% as compared to same quarter in 2019.

#### FedEx Corporation (FDX)

Shares fell 3% as the company reported numbers that were slightly ahead of expectations, but investors seemingly were wanting more. Earnings per share of \$5.01 was just one penny ahead of estimates. Sales of \$22.6 billion in the quarter was ahead of the expectations for \$21.5 billion. Management did make note of rising oil and labor costs are reasons for the relatively muted forecast for the current year.

### 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*

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