

September 3rd, 2021

From Wall Street to Main Street

Highlights from the past week

Market / Macro Economic Summary

Markets are off to a great start for the month of September and continue their positive trend that started mid-August. It must sound like a broken record by now, but we continue to get strong earnings reports from a myriad of companies from different sectors of the economy. Earlier this morning the US released the jobs report, and it was announced that the U.S. economy created 235,000 jobs. This was a sharp decline since most economists expected the economy to create over 725,000 jobs. Here is what I want my investors to keep in mind, this shows the Federal Reserve that the economy remains somewhat in flux. More than likely due the Delta virus, the Fed must remain patient with their economic stimulus and not rush to action. This is good news for us as investors because it means the Fed will not look to be raising rates anytime soon. With that backdrop in mind, equities/stocks remain the place to get a return.

Company Specific / Macro Economic Summary

Zoom (ZM)

Shares dropped 10% as the success story from the stay-at-home trend, is showing signs of slowing growth rates. The results however were strong and beat on the top and bottom lines. Earnings per share of \$1.36 were stronger than the \$1.16 analysts expected. Revenues of \$1.02 billion were also ahead of the expectations of \$991 million. The story was the declining trend in revenue, which grew 54% year over year, but only projected 31% for the coming quarter. For contrast, the prior quarter had grown 191%!

CrowdStrike (CRWD)

Shares slid 2% although it reported great numbers mainly due to the fact that it had "run up" pretty good heading into the quarter. Earnings per share of 11 cents per share beat expectations of 9 cents. Revenues of \$337.69 million were up 69.7% and were also higher than Wall Street consensus of \$323.53 million. CEO George Kurtz believes the Falcon platform will be the future of cyber security protection and prevention and remained very optimistic on the company's future.

Chewy (CHWY)

Shares fell over 11% as the company reported an ugly quarter. Even though revenue grew 27% from last year, the \$2.16 billion it reported was below the estimates for \$2.20 billion. Earnings per share came in at a loss of 4 cents when Wall Street was looking for a loss of 2 cents. Guidance for the third quarter also came in lighter than analysts were expecting.

Broadcom (AVGO)

Shares were up 1% as the company reported a strong quarter. Earnings per share of \$6.96 were ahead of the estimates of \$6.88. CEO Hock Tan said sales grew 16% to \$7.35 billion which were also ahead of analyst estimates of \$7.23 billion. All segments of the business seemed to be going well from data center and servers to 5G, Broadband and wireless devices.

Parting Thoughts

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

Regards,

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