

## From Wall Street to Main Street

*Highlights from the past week*



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### Market / Macro Economic Summary

This week marked what I hope in a couple of years from now will be a bottom in terms of sentiment for the markets. Thursday saw a larger than expected decline in the main inflation metric (Consumer Price Index) and what I hope is the start of the Federal Reserve's reconsideration of their rise in interest rates. The markets rocketed higher on the news, the Dow Jones Industrial Average jumped 3% and the Nasdaq 6% on Thursday alone. This reading of the "CPI" figure came out of nowhere and pleasantly surprised investors. This is great news (of course) as the markets had become all too positioned for higher for longer inflation. Friday continued the positive momentum for the markets too. On a side note, I hope Hurricane/Tropical storm Nichole was good to most of us. Our office saw 6 inches of water as the high tide on Thursday finally did us in....so I hope you bear with us as we're in the midst of some remodeling/reconstruction for a couple of weeks. We hope this is the last storm of the season, but we hope most of us in our client base made it through "ok" with this storm.

### Company Specific / Micro Economic Summary

#### Dupont (DD)

Shares jumped as the company reported a top and bottom-line beat. Earnings per share of 82 cents, which beat analyst expectations by one cent. Sales grew by 4% as compared to a year ago as it saw sales come in at \$3.317 billion on the quarter. CEO Ed Breen said on the call the company saw strong demand in the semiconductor, water and general industrial markets.

#### Disney (DIS)

Shares of the media giant fell as the company reported a lackluster quarter. CEO Bob Chapek announced the company will begin hiring freeze and cost cuts as part of its restructuring process. Earnings per share of 30 cents were well short of the Wall Street expectations of 55 cents. Revenue of \$20.15 billion was also shy of the estimates of \$21.24 billion dollars. On the bright side for the quarter, Disney plus subscriptions came in at 164.2 million as analysts were looking for 160.45 million.

#### Occidental Petroleum (OXY)

Shares rose behind another good quarter from the oil producer. Revenues were up 40% from a year ago to \$9.50 billion dollars. Net income rose to \$2.55 billion, which was 307% higher than a year ago. Lastly, profit margin was up 27% from the same quarter one year ago as well. The company saw revenues higher for all three divisions, between Oil & Gas, Chemicals and Midstream and marketing.

#### Lyft (LYFT)

Shares dropped 8% as the company reported a weak quarter as compared to rival Uber and missed on the top and bottom-lines. Earnings per share came in at a loss of \$1.18 as analysts were looking for 9 cents. Revenues of \$1.05 billion were also shy of calls for \$1.06 billion. Active riders on the quarter came in at 20.3 million but were expected to be close to 21.1 million.

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#### DR Horton

Shares declined as the home builder reported a quarter that was just shy of expectations. Earnings per share of \$4.67 were higher than the \$3.70 a year ago but shy of the analyst calls for \$5.07. Revenues of \$9.64 billion were also shy of the calls for \$9.87 billion on the quarter. The home builder cited higher interest rates as a main culprit for the orders drop and cancellations rise.

#### Unity Software (U)

Shares rose 6% on the heels of a mixed quarter but a reaffirm 20% growth for the foreseeable future on its revenue target by management. Earnings per share of a loss of 14 cents was better than the analyst calls for a loss of 15 cents. Revenues of \$322.9 million rose from \$286.3 million a year ago and but were lower than the Wall Street expectations of \$326.1 million.

#### Nio (NIO)

Shares jumped 19% on Friday but had been down as much as 25% on the week prior. The volatile Chinese automaker reported a wider than expected loss for the third quarter but benefited from the lower CPI print on Thursday. Management blamed higher battery costs and sales expenses as part of the difficult quarter. Revenues of \$1.83 billion were higher than the estimates of \$1.77 billion and up 32.6% from the same quarter a year ago. Earnings per share came in at a loss of 30 cents. The company delivered 31,607 vehicles on the quarter, a 29% increase year over year.

#### Wynn Resorts (WYNN)

Shares were relatively flat in trading as the company reported a mixed quarter. Earnings per share came in a loss of \$1.27 when Wall Street was looking for a loss of \$1. Operating revenue of \$889.7 million was a 10.5% decline from a year ago but beat the Wall Street expectations of \$871.2 million. Las Vegas and Boston continue to be bright spots for the company despite the difficulties seen in Macao, China.

#### 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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