

From Wall Street to Main Street

Highlights from the past week

Market / Macro Economic Summary

Markets rallied to end the week on a positive note behind the expected debt ceiling deal and some good economic jobs data. As I mentioned several times, I was not concerned with the political grandstanding that was going on because no politician would ever want to be involved in the "first U.S. debt default in history." The Dow rallied over 700 points (2.1%), the S&P500 jumped 61 points (1.5%) and Nasdaq also rallied another 139 points (1.1%). Aside from the debt deal, the U.S. department of labor announced Friday that the economy grew by 339,000 jobs, which was much stronger than the 190,000 economists were expecting. This furthers the argument, in which I've been a believer, that as long as job creation remains consistent, then a "soft landing" is plausible, and a recession can be mild if not avoided.

Company Specific / Macro Economic Summary

CrowdStrike (CRWD)

Shares fell 2% as the company beat on the top and bottom lines but revenue growth slowed. Earnings per share of 57 cents were better than the 51 cents expected. Revenue of \$692.6 million was also better than the \$676.4 million expected. Revenue grew 42% over last year but slowed from the 61% a year ago.

Salesforce (CRM)

Shares slid about 4% as the guidance was a bit shaky but results came in above expectations. Earnings per share of \$1.69 were eight cents better than expected. Revenue \$8.25 billion was better than the \$8.18 billion analysts were looking for. Capital expenses grew by 36%, which might be a reason why CEO Marc Benioff now has a possible proxy fight with Elliott Management as they are looking to make the company more accountable to shareholders for performance.

MongoDB (MDB)

Shares rose over 25% as the cloud-based data storage company blew past estimates. Earnings per share of 56 cents were way above the estimates of 19 cents. Revenues of \$368 million were also higher than the \$347 million analysts expected. CEO Dev Ittycheria highlighted a huge win in the quarter with China Mobile and guided higher for the year on revenue and earnings per share.

Lululemon (LULU)

Shares rose 11% as the company reported a strong quarter on the back of Chinese sales that grew by 79% from a year ago. Earning per share of \$2.28 were better than the \$1.98 Wall Street was looking for. Revenues of \$2 billion were also better than the \$1.93 billion analysts expected. Sales grew by 24%.

Broadcom (AVGO)

Shares rose 3% as the company reported a strong quarter. Earnings per share of \$10.32 on revenue of \$8.73 billion were much better than the \$10.08 and \$8.71 billion analysts were looking for. CEO Hock Tan believes that one day generative AI will provide the company over half of its revenue growth in years to come.

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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