

From Wall Street to Main Street

Highlights from the past week



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Market / Macro Economic Summary

Markets once again found reasons to be resilient despite an "expected" Federal Reserve increase of 25 basis points. On the week, the Dow was up .7%, S&P 500 was up .9% and the Nasdaq once again lead the way with a 1.5% gain. Now that we've seen July's interest rate increase, the amount of economist that now believe we're done with hikes continue to increase. On the economic inflation front, core PCE (Personal Consumption Expenditures) only rose by .17% when most expected a rise of .20%. This still provides the Fed with signs that inflation is rapidly falling, and further rate hikes will be unnecessary. I'm going to apologize for the lack of details in the company reports, but this past week and upcoming week are the heaviest in terms of earnings reports.

Company Specific / Micro Economic Summary

NXP Semiconductors (NXPI)

Shares rose 1% as \$3.43 earnings per share beat calls for \$3.29. Revenues of \$3.3 billion was also ahead of estimates for \$3.21 billion. Management raised guidance for the upcoming quarter.

Verizon (VZ)

Shares rose 6% as the company reported a mixed quarter but reaffirmed guidance for the upcoming year. Earnings per share of \$1.21 versus estimates of \$1.17. Revenues of \$32.6 billion were shy of the calls for \$33.24 billion.

3M (MMM)

Shares rose 2% as the company on the back of a good quarter. Revenues of \$7.99 billion were ahead of the Wall Street calls for \$7.87 billion.

Microsoft (MSFT)

Shares slid 4% as the company reported a top and bottom-line beat. Earnings per share of \$2.69 was better than the calls for \$2.55. Revenue of \$56.19 billion was better than the estimates of \$55.4 billion. Cloud revenue grew at 26% and surpassed \$110 billion in annual revenue.

Alphabet aka Google (GOOGL)

Shares rose about 7% as the company had earnings per share of \$1.44 versus calls for \$1.34. Revenue of \$74.6 billion was higher than the Wall Street estimates of \$72.82 billion. YouTube ads were \$7.67 billion versus calls for \$7.43 billion. Cloud revenue grew over 28% year over year and CFO Ruth Porat will be assuming a new role within the firm.

General Electric (GE)

Shares rose 4% as management reported a better-than-expected earnings per share. Earnings per share of 68 cents were much better than the 46 cents analysts were looking for. Revenue of \$16.7 billion was also higher than \$15 billion analyst had expected. Management also guided higher on the year for record aerospace orders and expected sales in its renewable energy business.

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Boeing (BA)

Shares surged 9% as deliveries of planes too the company to free cash flow of \$2.6 billion in the quarter. Management reported a loss of 82 cents, but it was better than the 88-cent loss Wall Street was looking for. Revenue od \$19.75 billion was better than the calls for \$18.45 billion.

Meta aka Facebook (META)

Shares rose 7% on a top and bottom-line beat. Earnings per share of \$2.98 was seven cents better than the calls for \$2.91. Revenue of \$32 billion was better than Wall Street expectations of \$31.12 billion. Daily active users were up to 2.06 billion versus the calls for 2.04 billion.

McDonald's (MCD)

Shares rose 2% on the heels of a better-than-expected quarter. Revenue of \$6.5 billion were better than the \$6.27 billion analysts were looking for. Earnings per share of \$3.17 was also much higher than the \$2.79 Wall Street estimates. Same store sales were up 11.7%!

Roku (ROKU)

Shares skyrocketed 25% as the company reported a much better quarter. Earnings per share came in at a loss of 76 cents but was much improved on the estimates for a loss of \$1.26. Revenue of \$847 million also beat estimates of \$775 million.

Exxon Mobil (XOM)

Shares of the oil giant were relatively unchanged despite a mixed quarter. Earnings per share of \$1.94 was well short of the calls for \$2.01. Revenue of \$82.91 billion came in well ahead of the analyst expectations of \$80.19 billion.

American Express (AXP)

Shares rose 5% despite a mixed quarter. Earnings per share of \$2.97 was shy of the \$2.22 Wall Street was looking for. Revenue of \$14.18 billion was also shy of the expectations of \$14.22 billion.

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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