

Financial Markets This Week

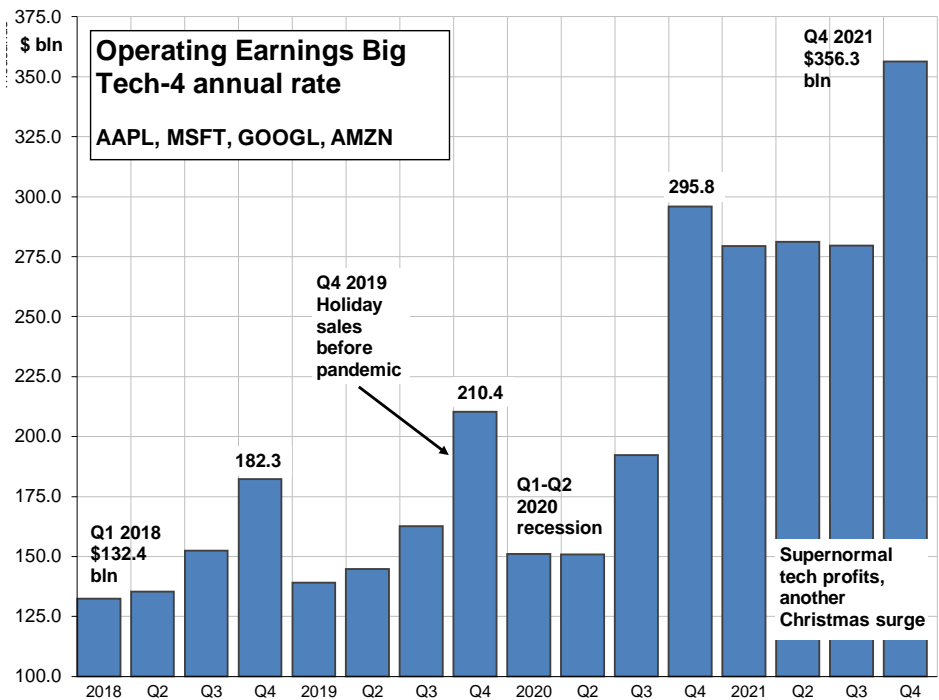
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Christopher S. Rupkey, CFA
Chief Economist
crupkey@fwdbonds.com

BIG TECH RECORD EARNINGS, SHARE PRICES ARE DOWN

Another incredible week for global investors who thought the Berlin Wall fell decades ago. Hard to know what to say after Russian troops entered Ukraine on Monday. S&P 500 was down as much as 14.6% early Thursday from the January 4 all-time high as the fighting intensified. We will review the Big-4 Tech companies, Apple, Microsoft, Alphabet, Amazon after the calendar Q4 2021 earnings were released late January/early February. The four companies account for about 24% of the S&P 500 market cap. Calendar Q4 is always big with Apple's holiday sales. Q4 2021 operating earnings \$356.3 billion up 20.5% from the year before. The stay-at-home pandemic boost that supercharged earnings may be starting to normalize even if it doesn't look that way on this earnings chart. Looking at fourth quarters year-year earnings, normal in 2019 before the

pandemic was up 15.4% from 2018, shooting up to 40.6% in 2020, and then the 20.5% gain in 2021. The earnings growth slowdown has brought lower prices: Friday's close for AAPL was down 9.9% from its record high; on the same basis MSFT down 15.0%, GOOGL down 11.3%, and AMZN down 18.5%. Not all the big four earnings are pulling their weight with Amazon Q4 earnings less than Q4 2019 before the pandemic. Stay tuned. Watch here where the world goes next.



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Operating Income calendar quarters (\$bln)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Apple	13.415	11.544	15.625	25.569	12.853	13.091	14.775	33.534	27.503	24.126	23.786	41.488
Microsoft	10.341	12.405	12.686	13.891	12.975	12.405	15.876	17.897	17.048	19.095	20.238	22.247
Alphabet	6.608	9.180	9.177	9.266	7.977	6.383	11.213	15.651	16.437	19.361	21.031	21.885
Amazon	4.420	3.084	3.157	3.879	3.989	5.843	6.194	6.873	8.865	7.702	4.852	3.460
Total	34.784	36.213	40.645	52.605	37.794	37.722	48.058	73.955	69.853	70.284	69.907	89.080

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