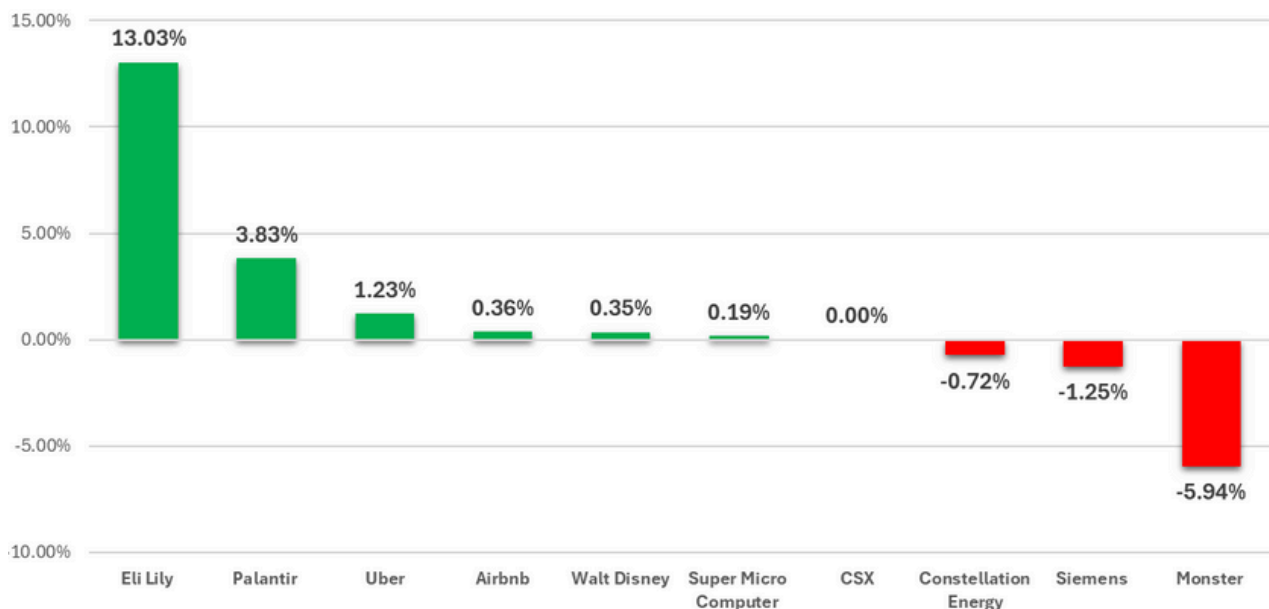


## Taking Stock- Q2 Earnings Season - Week 3

Earnings season concluded this week, with the majority of significant companies from both sides of the Atlantic having reported their results. There were however a few key earnings left. The real star performer was Eli Lilly, one of the top ten largest companies in the world by market capitalisation. The health care provider, who specialise in weight lose and diabetic drugs, blitzed forecasted earnings, with actual revenues being just over 13% higher than forecasted. According to the firm, revenues jumped 36% compared to the same period in 2023, with quarterly sales of Zepbound, a weight loss drug exceeding \$1bn, while sales for its diabetic drug Mounjaro rising to \$3.09bn during the quarter. In the tech sector, Palantir Technologies saw actual revenues come in 3% higher than forecasts, with revenues for the second quarter increasing by 27% year over year thanks to rising demand for its artificial intelligence platform. Super Micro Computer meanwhile did beat earnings estimates but saw shares plummet due to a record low gross margin of 11.2%, and news that NVIDIA's new Blackwell chip would be delayed until early 2025. Elsewhere, Airbnb did beat forecasted revenues but missed Earnings Per Share (EPS) estimates. Uber saw shares rise 10% after their earnings call thanks to a combination of better than expected revenues and EPS, with bookings growing by 19% year over year. On the converse, Monster Beverage, the owner of the Monster Energy brand, missed revenues and sales expectations for Q2, due to lower overall retail sales as customers pull back from discretionary purchases.

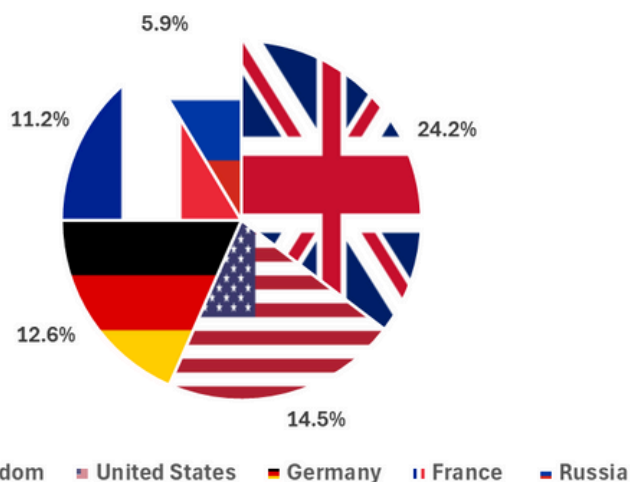
### Forecast Vs Actual Revenues



Source – Seaspray Private

During a week marked by some of the worst days for global stock markets in years, it's noteworthy to observe the transformation of the stock market landscape over the past century, as highlighted by the recent UBS Global Investment Returns Yearbook. At the end of the 19th century, England stood as the largest stock market in the world, with the world's largest empire at the time still in tact. 24.2% of global market capitalisation was in the United Kingdom, with the United States trailing behind with 14.5% of total global market cap. It was the great empires of the day who held the greatest wealth in stock markets.

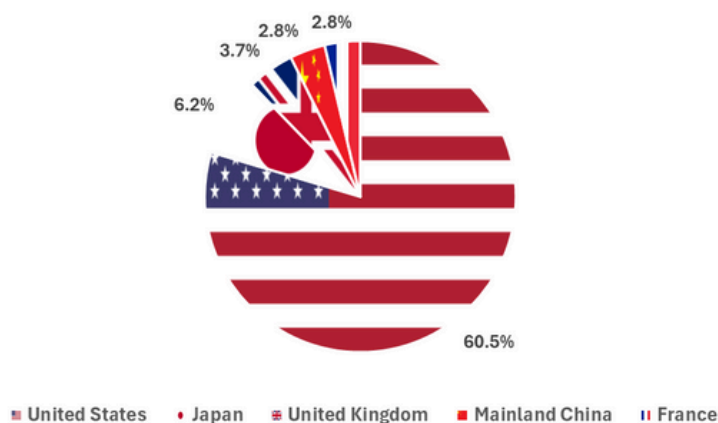
### World's Largest Stock Markets by Market Cap - 1889



Source – Seaspray Private – UBS

Fast forward to 2024, and we can see just how the board has changed. The United States now accounts for 60.5% of total global stock market capitalisation, meaning more than half of the world's total stock market capitalisation is located in one country. Meanwhile, Japan is now the second largest stock market in the world by market cap, with 6.2% of global market cap. This explains the significant impact of the US and Japan on global markets over the past week, and underscores the importance of both economies' continued performance for the health of global financial markets.

### World's Largest Stock Markets by Market Cap - 2024



Source – Seaspray Private – UBS