

# Wall Street Pulse Q2 Earnings

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# Earnings Season in Focus

The Q2 earnings season paints a mixed but revealing picture. While revenue growth has been solid across many names, profit margins are under pressure from **higher interest rates, lingering inflation, and persistent tariff costs**. Companies with strong consumer brands or tech leverage continue to outperform, while industrials and auto players face growing headwinds.

## Q2 Earnings Highlights

### GM (General Motors)

- **Profit:** Core earnings plunged 32% to \$3B.
  - **Reason:** Trump's tariffs cost GM \$1.1B this quarter, with projected \$4–5B impact in 2025.
  - **Revenue:** Fell nearly 2% to \$47B.
  - **EPS:** \$2.53, beating estimates (\$2.44).
- ▼ Stock down ~3% premarket. GM warns tariff pain will worsen in Q3.

### Coca-Cola (KO)

- **Revenue:** \$12.62B, above expectations (\$12.54B).
- **EPS:** \$0.87 vs. \$0.83 estimate.

- **Trends:** Price hikes (+6%) offset a 1% drop in case volume.
  - **Growth:** Coke Zero Sugar up 14% globally.
  - **New Launch:** US cane sugar Coca-Cola coming this fall.
- ▼ Stock dipped ~1% premarket despite the beat.

## D.R. Horton (DHI)

- **EPS:** Beat with \$3.36 (vs. \$2.88 expected).
  - **Revenue:** \$9.23B, beating forecast (\$8.76B).
  - **Strategy:** Buyer incentives helped counter high rates.
  - **Outlook:** Narrowed FY revenue guidance to \$33.7–\$34.2B.
- 📈 Stock jumped 6% premarket.

## Philip Morris (PM)

- **Revenue:** \$10.14B (missed \$10.33B estimate).
  - **Zyn Sales:** 190M cans, under 203M forecast.
  - **Cigarettes:** Volumes down 1.5%; Zyn up 23.8%.
- ▼ Stock fell as high expectations met with “not quite enough.”

## RTX (Raytheon Technologies)

- **New 2025 EPS forecast:** \$5.80–\$5.95, down from \$6.00–\$6.15.
  - **Reason:** Tariff-related cost increase; aluminum & steel duties doubled.
  - **Estimated hit:** \$850M, with further risk from evolving trade policy.
- ▼ Shares fell 3% premarket.

## Netflix (NFLX)

- **EPS:** \$7.19, beat \$7.09 estimate.
- **Revenue:** \$11.08B, slightly ahead of \$11.06B expected.
- **Guidance:** FY revenue raised to \$44.8B–\$45.2B.
- **Ads revenue:** Projected to hit \$3B in 2025.

▼ Stock dipped on high investor expectations.

## American Express (AXP)

- **EPS:** \$4.08 vs. \$3.89 expected.
- **Revenue:** \$17.9B, beat \$17.7B forecast.
- **Spending:** Resilient across affluent consumers, esp. restaurants (+8%).

## Charles Schwab (SCHW)

- **EPS:** \$1.14 vs. \$1.10 forecast.
- **Revenue:** \$5.9B, beat expectations.
- **New Assets:** \$80.3B, annualized growth of 31%.

 Shares up 3% premarket.

## 3M (MMM)

- **EPS:** \$2.16, beat.
- **Revenue:** \$6.16B, beat.
- **Tariff hit forecast:** Now \$0.10/share, down from \$0.20–\$0.40.

## Earnings Ahead This Week

- **Wed:** Alphabet (GOOG), Tesla (TSLA), Chipotle (CMG), AT&T (T), IBM (IBM)
- **Thu:** Intel (INTC), Dow (DOW), Union Pacific (UNP)
- **Fri:** Charter Communications (CHTR)

While tariffs re-emerge as a key margin threat, especially for industrials and automakers, consumer-facing brands are showing resilience through strategic pricing and innovation.

Housing and financials remain interest-rate sensitive, but pockets of strength like D.R. Horton and Charles Schwab prove that well-positioned players can still outperform.



Markets are watching closely, earnings beats aren't enough unless paired with strong forward guidance. As we head deeper into the season, all eyes are on Big Tech and macro risks (like trade policy and inflation) to set the tone for H2.



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