

## Futures drop after weak big bank earnings

U.S. stock index futures declined on Friday as weak earnings reports from big banks sparked worries about the health of corporate America, while investors awaited an inflation report during the day for clues on monetary policy outlook.

Bank of America shed 3.3% in premarket trading after its fourth-quarter profit shrank as the lender took \$2.1 billion in combined charges to phase out a loan index and replenish FDIC's deposit insurance fund that was drained after some regional lenders collapsed last year.

JPMorgan Chase (NYSE:JPM) lost 2.6% as the lender's quarterly profit fell after setting aside nearly \$3 billion to help refill the FDIC's fund.

Wells Fargo's profit jumped in the fourth quarter, helped by cost cuts. However, its shares were down 2.1%.

Citigroup fell 2.1% ahead of its earnings later in the day. A filing on Wednesday showed the lender booked about \$3.8 billion in combined charges and reserves that will erode its fourth-quarter earnings.

The banking sector faced its worst turmoil since the 2008 financial crisis in March 2023, but finished the year with a 7% gain on hopes that the Federal Reserve could commence interest rate cuts in 2024.

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