

# Stocks Finish the Week Mostly Lower as Retail Sales Take a 43.33% Hit and Investor Confidence Weakens.

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The U.S. and European Stocks ended the week mostly lower, except for the Dow Jones, which rose slightly.

Investors retreated today as economic data painted a mixed view of the consumer's strength. The S&P 500 pulled back from record levels, with sharp losses in technology and financials outweighing gains in health care, real estate, and communications services. The Dow Jones Industrial Average eked out a modest increase, while the Nasdaq also fell.

European markets closed mixed, as some were buoyed by optimism that the meeting between Presidents Trump and Putin could advance peace talks in the Russia-Ukraine conflict. In the fixed income market, U.S. Treasury yields rose 2 to 5 basis points across the curve, mirroring weakness in global sovereign bond markets, including those in Canada. The dollar eased against major peers, and WTI crude settled lower.

## **Prime Day Boosts Retail Sales, but Confidence Slips**

July U.S. retail sales rose 0.5% month-over-month, but when compared to the previous month, it represents a decrease of 43.33%. This decline is primarily attributed to the absence of strong online spending linked to Amazon's Prime Day event, now echoed by competing promotions at Walmart, Target, and other major retailers. June sales were revised upward, suggesting some rebound in consumer activity after a sluggish second quarter. Still, the report had its soft spots: restaurant and bar sales declined, and the University of Michigan consumer sentiment index dropped sharply, reflecting heightened concerns over inflation and a cooling labor market. Trade data showed little sign of exporters reducing prices to offset tariffs, leaving importers to shoulder the burden. The central question for the remainder of 2025 will be whether these costs are passed on to consumers in the form of higher prices, thereby risking renewed inflationary pressures, or absorbed into corporate margins, which could challenge profitability.

## **Jackson Hole Symposium Takes Center Stage Next Week**

The upcoming U.S. economic calendar is relatively light, with August PMI readings and July FOMC meeting minutes on deck, alongside Canadian inflation data. Market attention will be firmly fixed on the Jackson Hole Economic Policy Symposium, where policymakers often use the platform to signal strategic shifts in their economic policies. Fed Chair Jerome Powell's Friday address will be closely parsed for clues on September's rate decision. Treasury Secretary Bessent has called for a 50-basis-point cut, followed by a total of 150 basis points in reductions this year. At the same time, San Francisco Fed President Daly has argued against such urgency, citing steady fundamentals. Our view: a half-point cut in September remains unlikely unless labor market weakness becomes more pronounced.

## GDPNow:

- The GDPNow for the Third Quarter was updated today and is unchanged at 2.50% GDP.

## Economic Data:

- **U.S. Index of Consumer Sentiment:** fell to 58.60, down from 61.70 last month, a decrease of 5.02%.
- **U.S. Retail and Food Services Sales MoM:** fell to 0.51%, compared to 0.90% last month, down 43.33%.
- **U.S. Export Prices YoY:** fell 2.21%, compared to 2.63% last month.
- **U.S. Import Prices YoY:** is at -0.21%, compared to -0.49% last month.
- **U.S. Wholesalers Inventories MoM:** rose to 0.10%, compared to -0.31% last month.
- **U.S. Business Inventories MoM:** rose by 0.16%, compared to -0.00% last month.
- **U.S. Industrial Production MoM:** fell -0.12%, compared to 0.35% last month.
- **Canada Manufacturing Shipments:** rose to 68.46B, up from 68.26B last month, up 0.30%.
- **Canada Wholesale Sales MoM:** rose to 2.47%, compared to -0.67% last month.

## Eurozone Summary:

- **Stoxx 600:** Closed at 553.56, down 0.31 points or 0.056%.
- **FTSE 100:** Closed at 9,138.90, down 38.34 points or 0.42%.
- **DAX Index:** Closed at 24,359.30, down 18.20 points or 0.075%.

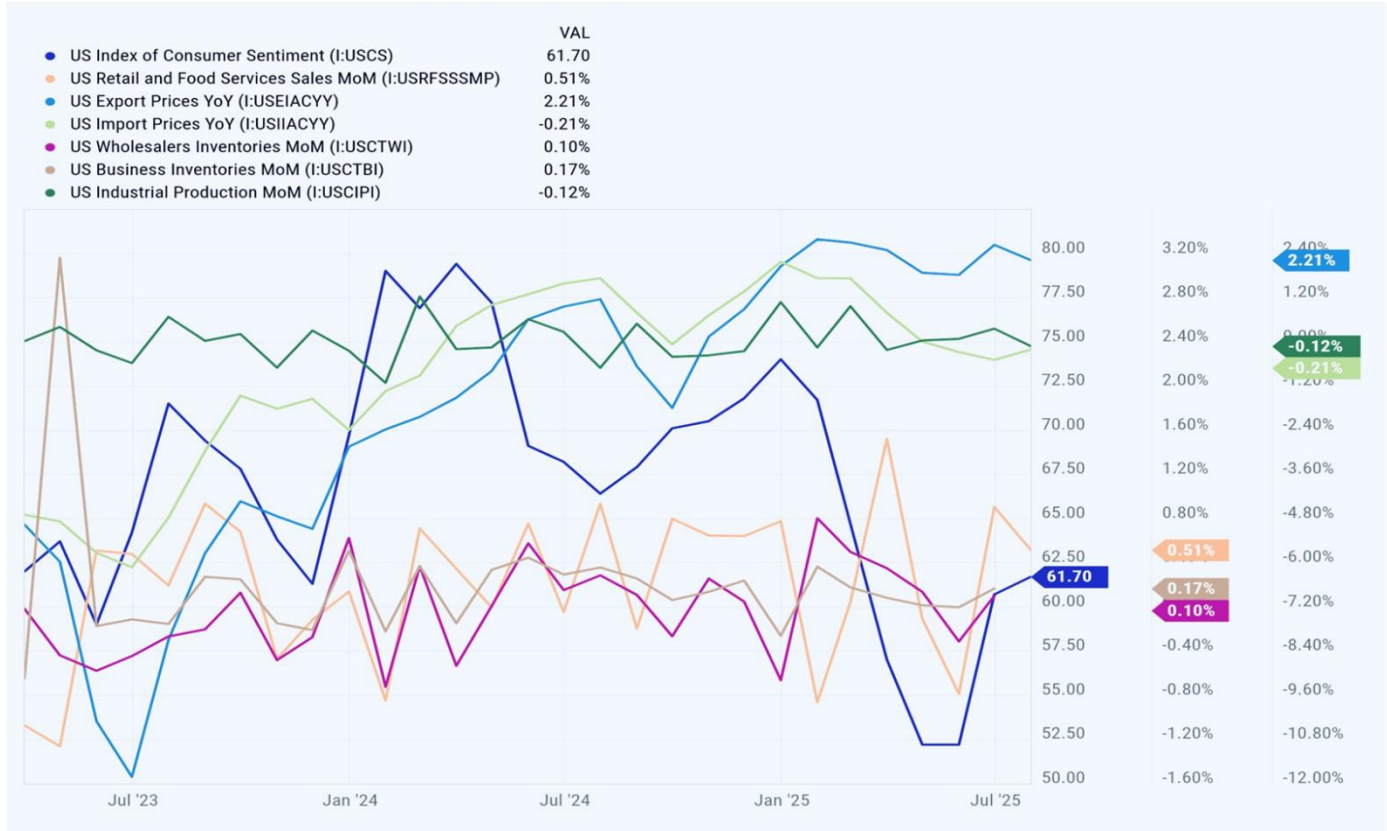
## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,946.12, up 34.86 points or 0.08%.
- **S&P 500:** closed at 6,449.80, down 18.74 points or 0.29%.
- **Nasdaq Composite:** closed at 21,622.977, down 87.693 points or 0.40%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,168.45, down 12.10 points or 0.29%.
- **Birling Capital U.S. Bank Index:** closed at 7,768.18, up 74.70 points or 0.97%.
- **U.S. Treasury 10-year note:** closed at 4.339%.
- **U.S. Treasury 2-year note:** closed at 3.75%.

## Third Quarter 2025

Date	GDPNow 3Q25	Change
7/31/2025	2.30%	Initial Forecast
8/1/2025	2.10%	-8.70%
8/5/2025	2.50%	19.05%
8/7/2025	2.50%	0.00%
8/15/2025	2.50%	0.00%

# US Index of Consumer Sentiment, US Retail Sales, US Export Prices, US Import Prices, US Wholesalers Inventories, US Business Inventories & US Industrial Productions



# Wall Street Recap

## August 15, 2025



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