

Stocks Slide as Tech Weakness Deepens; Jobless Claims Edge Higher While Walmart Lifts Sales Outlook; Markets Brace for Powell at Jackson Hole.

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The U.S. and European stock markets closed with mixed results, extending the week's selling pressure in technology stocks. The Nasdaq slipped another 0.34%, leaving the benchmark down more than 2% this week. The broader S&P 500 fell 0.40% and the Dow Jones Industrial Average fell 0.34%. Overseas, sentiment was similarly cautious with European and Japanese markets finishing weaker overnight, while emerging-market equities also softened. Global bonds experienced modest pressure, with U.S. 10-year Treasury yields rising five basis points. The dollar held broadly steady against a trade-weighted basket, while WTI crude added modest gains to trade near \$63 per barrel.

Labor Market Data and Corporate Signals

Initial jobless claims rose last week to 235,000, a slight uptick but still historically subdued, suggesting limited layoffs. Continuing claims climbed to 1.972 million, the highest level since November 2021, indicating that the unemployed are finding it increasingly challenging to secure new employment. Corporate earnings reflected a mixed picture: Walmart's CFO described the U.S. consumer as "resilient", even as the retailer missed second-quarter profit expectations due to higher insurance costs, legal expenses, and restructuring charges. Notably, Walmart raised its full-year sales outlook and signaled confidence in offsetting the impacts of tariffs through supply-chain efficiency. These remarks echo the tone set earlier in the week by Target, Lowe's, and Home Depot, reinforcing the view that household spending remains positive though moderating.

Spotlight on Jackson Hole

Attention now turns to Jackson Hole, where the Federal Reserve's annual symposium begins today. Chair Jerome Powell's speech tomorrow will be closely watched for signals on the direction of policy. Minutes from the July FOMC meeting revealed that most policymakers were more concerned about inflation risks than labor market softness. However, the weaker July payrolls report released since then has prompted more dovish remarks from Fed officials. Markets are now pricing an 80% probability of a 25 basis-point rate cut in September. However, Powell is expected to avoid making a decision ahead of critical payroll and inflation data, which are still due before the next Fed meeting.

Corporate Earnings Parade:

- **Walmart, Inc. (WMT)** reported 3Q26 revenues of \$178.9 billion, up 5.6% beating estimates, net income of \$7 billion, missing estimates, and Earnings Per share of \$0.68. Walmart has a Stock Price Objective of \$110.95. View our report: https://mcusercontent.com/8a74decb0cc0cdc6eb732b812/files/aa49f769-5c37-a98d-0e5b-fc5c89aa9972/WMT_pdf_report_2025_08_21_21_35.pdf

Economic Data:

- **US Initial Claims for Unemployment Insurance:** rose to 235,000, up from 224,000 last week, and increased 4.91%.
- **US Existing Home Sales:** fell to 3.93M, down from 4.04M last month, down -2.72%.
- **30-Year Mortgage Rate:** This rate is unchanged at 6.58% compared to 6.58%.
- **Eurozone Consumer Confidence Indicator:** is at -14.70, up from -15.30 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 95.80, up from 94.20 last month.
- **Japan Consumer Price Index YoY:** fell 3.30%, compared to 3.50% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 559.07, down 0.07 points or 0.07%.
- **FTSE 100:** Closed at 9,309.20, up 21.06 points or 0.23%.
- **DAX Index:** Closed at 24,293.34, up 16.37 points or 0.07%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,785.50, down 152.81 points or 0.34%.
- **S&P 500:** closed at 6,370.17, down 25.61 points or 0.40%.
- **Nasdaq Composite:** closed at 21,100.312, down 72.545 points or 0.34%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,129.10, down 22.77 points or 0.55%.
- **Birling Capital U.S. Bank Index:** closed at 7,639.93, up 15.51 points or 0.20%.
- **U.S. Treasury 10-year note:** closed at 4.33%.
- **U.S. Treasury 2-year note:** closed at 3.79%.

US Initial Claims for Unemployment Insurance & US 4-Week Moving Average of Initial Claims for Unemployment Insurance





Wall Street Recap

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