

# S&P 500 Tops 6,500 For the First Time as NVIDIA Extends AI Rally, GDP Revised Higher, Yields Ease Ahead of PCE.

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The U.S. and European stock markets closed with mixed results. However, Wall Street closed broadly higher with the S&P 500 closing above 6,500 for the first time to finish at 6,501.86, a fresh all-time high. The Nasdaq Composite advanced 0.53%, while the Dow Jones Industrial Average closed up 0.16%. NVIDIA once again underscored the company's central role in driving the artificial intelligence boom, which now accounts for roughly 8% of the S&P 500's total weight, setting the tone for markets. The chipmaker reported second-quarter revenue growth of 56% year-over-year, exceeding consensus. Some caution emerged as data center revenue came in just shy of analyst targets, and the company's guidance for the current quarter \$54 billion in revenue versus the \$53.1 billion Wall Street expected, was seen as a modest upside rather than an explosive beat.

Bond markets extended their rally, with the 10-year U.S. Treasury yield easing further, closing at 4.22%, down from its July peak of nearly 4.50%. A softer yield environment offered support to equities, particularly rate-sensitive sectors. The U.S. dollar slipped against major peers, adding to a constructive backdrop for global risk assets.

## **U.S. Economy: Growth Momentum Builds**

The Commerce Department revised second-quarter GDP growth upward to 3.3%, from the 3.0% advance estimate. The upgrade was driven by stronger fixed investment, indicating that businesses remain willing to expand capacity despite tighter credit conditions.

Jobless claims edged lower, with initial filings at 229,000 versus expectations of 227,500. Continuing claims dipped to 1.95 million from 1.96 million the week prior, reinforcing a picture of a labor market that is cooling gradually, but still underpinned by strength. With 7.4 million job openings still exceeding the 7.2 million unemployed, wage gains are expected to remain above inflation, supporting disposable income and consumer demand.

## **Inflation and the Federal Reserve: Spotlight on PCE**

Attention now turns to Friday's release of the Fed's preferred inflation gauge, the Personal Consumption Expenditure (PCE) index. The Inflation Nowcasting expects the headline PCE to hold steady at 2.60%, while core PCE may edge higher to 2.89%.

Bond traders are pricing in two rate cuts this year, beginning in September, and three additional reductions in 2026, signaling confidence that monetary policy will continue to ease. Lower borrowing costs provide a meaningful tailwind for both households and corporations.

## **Global Markets: Europe Watches Tariffs and Mixed Asia**

European markets traded cautiously, balancing the benefits of easing yields with concern over rising trade frictions. While Asian equities closed mixed after the Bank of Korea held rates steady at 2.50%, sentiment was tempered by the activation of 50% U.S. tariffs on Indian imports.

In the commodities market, WTI crude declined as the end of the summer travel season dampened demand forecasts. However, supply-side dynamics are shifting as Russia's Druzhba pipeline restarts operations, providing a stabilizing factor to global energy flows.

### Corporate Earnings Parade:

- **The Toronto-Dominion Bank (TD) reported 3Q25 revenues of \$15.614 billion, up 9.66%, net income of \$3.336 billion, beating estimates, Earnings Per share of \$1.89, and a Tier 1 Capital ratio of 16.50%. TD has a Stock Price Objective of \$74.93. View our report on TD: [TD Overview](#)**

### Economic Data:

- **U.S. Real GDP QoQ:** is at 3.30%, compared to -0.50% last quarter.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 229,000, down from 234,000 last week, a decrease.
- **U.S. Total Vehicle Sales:** rose to 16.87 million, up from 15.77 million last month, a 6.97% increase.
- **U.S. Pending Home Sales YoY:** is at -2.83%, compared to 1.11% last month.
- **30-Year Mortgage Rate:** is unchanged at 6.58%, compared to 6.58% last week.
- **Kansas City Fed Manufacturing Production Index:** is at 0.00, up from -3.00 last month.
- **Eurozone Consumer Confidence Indicator:** fell -15.50, down from -14.70 last month.
- **Eurozone Economic Sentiment Indicator:** fell 95.20, down from 95.70 last month.
- **Japan Consumer Confidence Index:** fell 33.70, down from 34.50 last month.
- **Japan Industrial Production Index MoM:** rose to 2.08%, compared to -0.10% last month.

### Eurozone Summary:

- **Stoxx 600:** Closed at 553.67, down 1.09 points or 0.20%.
- **FTSE 100:** Closed at 9,216.82, down 38.68 or 0.42%.
- **DAX Index:** Closed at 24,039.92, down 6.29 points or 0.026%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 45,636.90, up 71.67 points or 0.16%.
- **S&P 500:** closed at 6,501.86, up 20.46 points or 0.32%.
- **Nasdaq Composite:** closed at 21,705.15, up 115.09 points or 0.53%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,288.07, up 29.53 points or 0.69%.
- **Birling Capital U.S. Bank Index:** closed at 7,942.81, up 42.99 points or 0.54%.
- **U.S. Treasury 10-year note:** closed at 4.22%.
- **U.S. Treasury 2-year note:** closed at 3.62%.

## Inflation Nowcasting PCE & Core PCE

**Inflation  
Nowcasting**

**PCE**

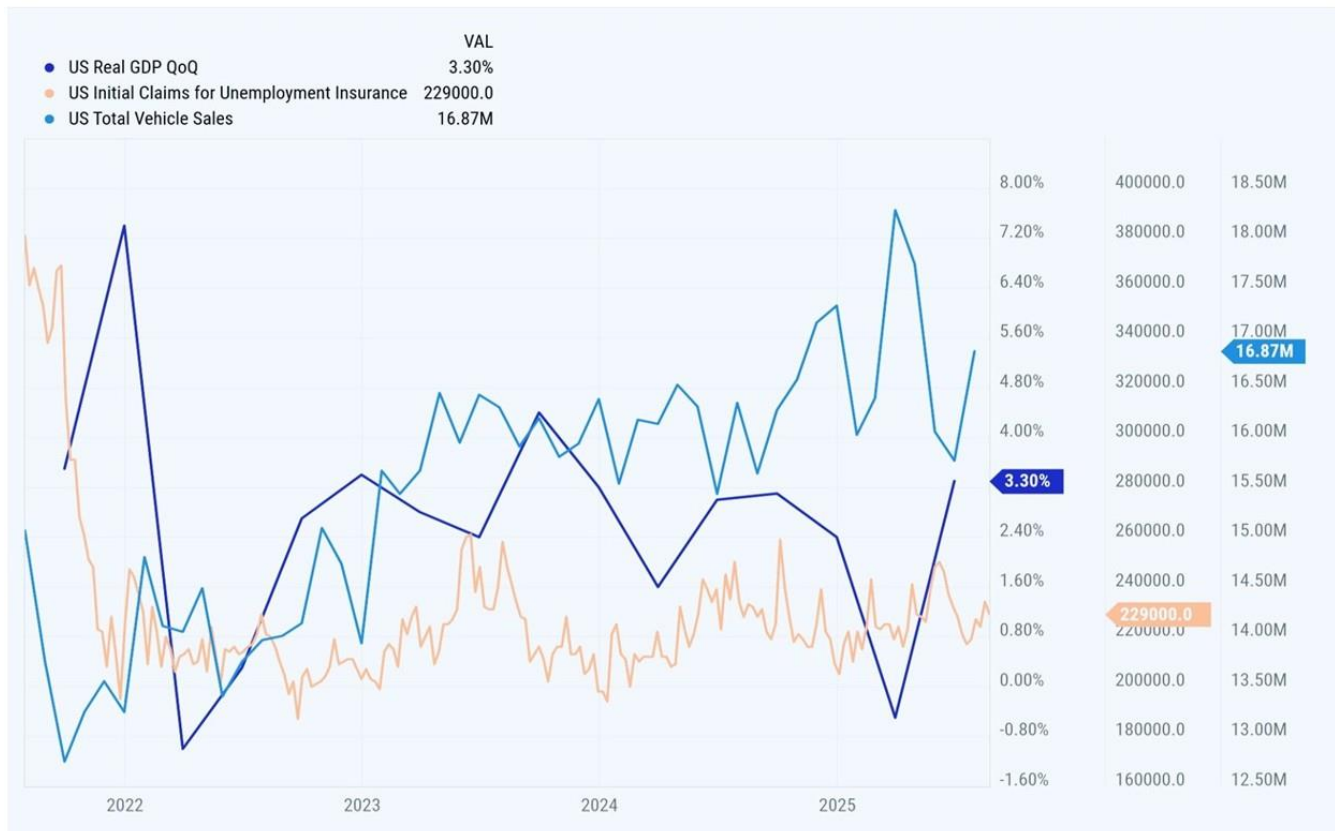
**Core  
PCE**

**July**

**2.60%**

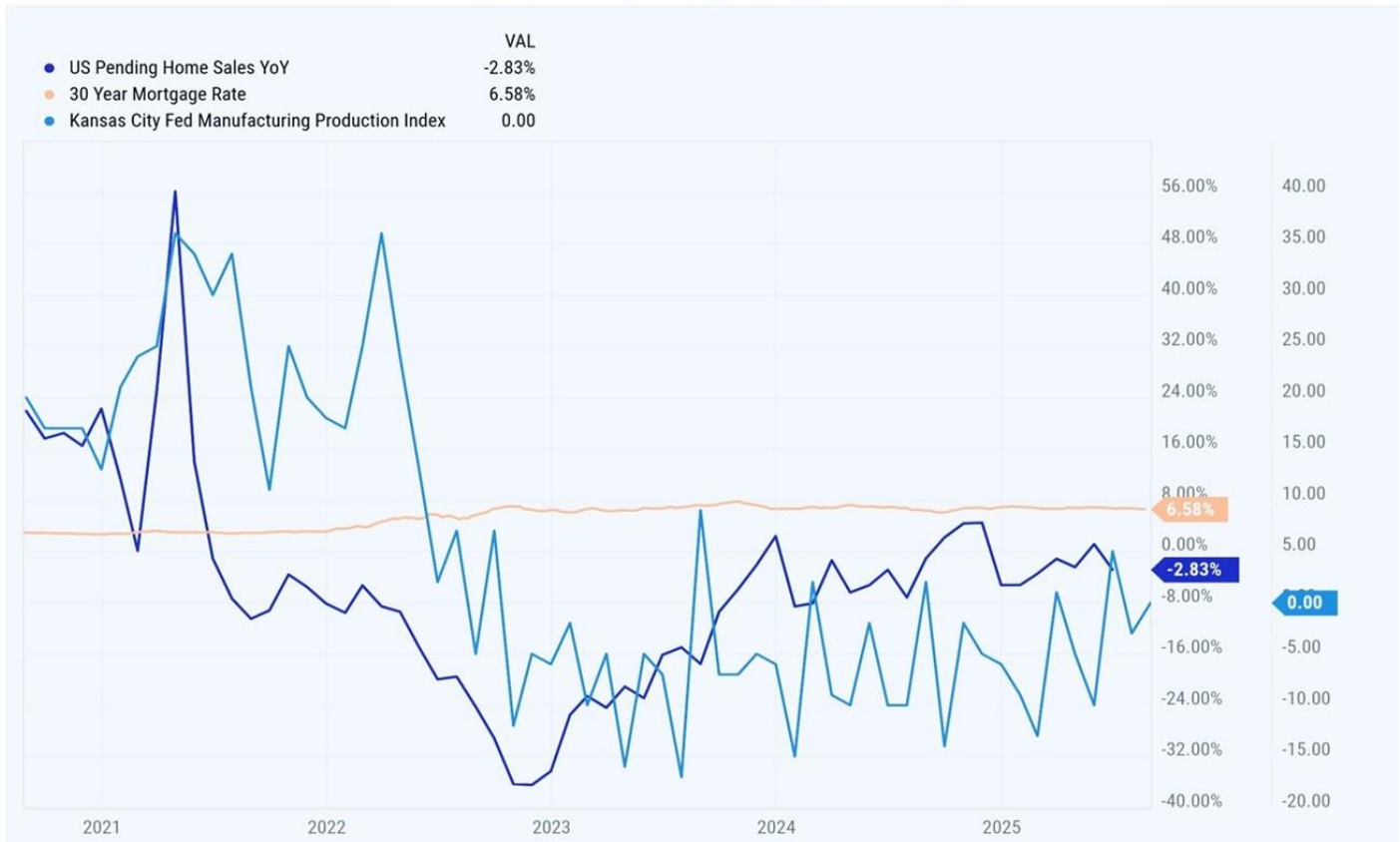
**2.89%**

## US Real GDP, US Initial Claims for Unemployment & US Total Vehicle Sales

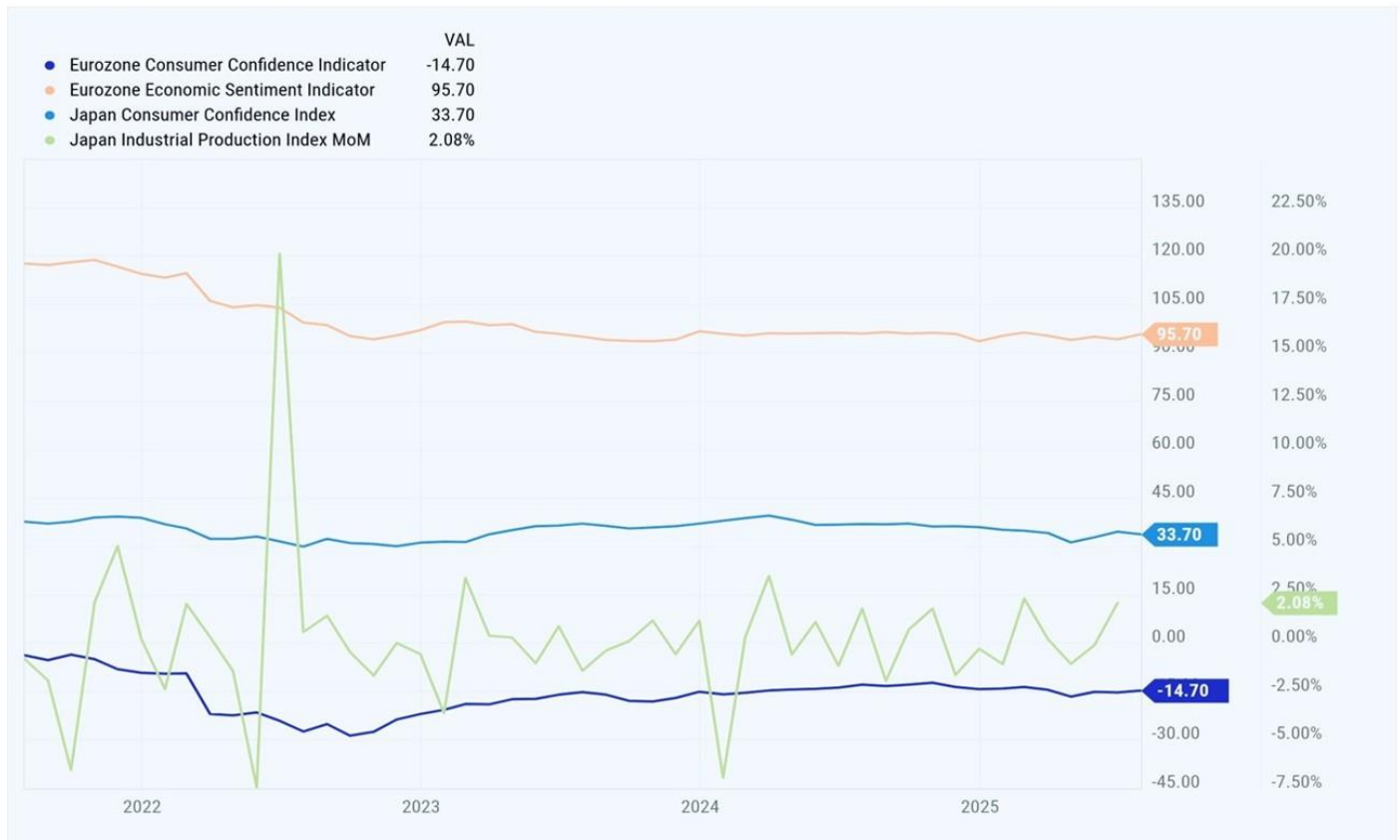




# US Pending Home Sales, 30-Year Mortgage Rate & Kansas City Fed Manufacturing Production Index



## Eurozone Consumer Confidence Indicator, Eurozone Economic Confidence Index, Japan Consumer Confidence & Japan Industrial Production Index







# Wall Street Recap

## August 28, 2025



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