

Wall Street Closes Higher as Housing Data and Economic Outlook Strengthen; GDPNow Projects 2.3% Q1 2025 Growth.

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The US and European stock markets closed with mixed results; Wall Street rose as more data from the housing sector showed further weakening as January housing starts came in slightly below estimates, while building permits exceeded expectations, signaling potential future growth in residential construction. Also, the GDPNow for the first quarter of 2025 remains at a healthy 2.30% GDP, signaling continued strength.

European markets fell following an unexpected uptick in UK inflation metrics, while Asian markets saw the Nikkei and Hang Seng, while the Shanghai Composite and Kospi rose. Meanwhile, bond yields remain relatively stable, with the 10-year Treasury yield closing at 4.53%.

Year-to-Date Market Performance: Strong Start to 2025

Equity markets have kicked off 2025 on a positive note. As of yesterday's close, the S&P 500 has advanced 4.4%, including dividends.

International equities have also surged, with developed-market large-cap stocks up 8.9% and emerging-market stocks gaining 6.1%. While global markets have shown resilience, US equities will likely outperform in 2025, driven by more substantial corporate earnings and economic momentum.

Housing Market Trends: A Key Focus This Week

This week, the housing market is in the spotlight, with the latest data on housing starts and building permits providing insight into the sector's momentum, with Housing starts at 1.37 million—below expectations of 1.4 million and Building permits, a leading indicator of future housing activity, exceeded forecasts at 1.48 million, suggesting potential strength in upcoming construction activity. Despite elevated mortgage rates, the limited supply of existing homes for sale continues to support demand for new construction. This trend could boost GDP growth through increased residential investment.

GDPNow Update:

- **The GDPNow** estimate for US GDP growth for the first quarter of 2025 was updated on February 19 to 2.30% GDP, unchanged.

Corporate Earnings Parade:

- **Travel+Leisure Co (TNL):** reported 4Q24 revenues of \$971 million, up 3.85%, net income of \$119 million, down 7.75%, and earnings per share of \$1.72, with a stock price objective of \$59.54, and its stock closed today at \$57.86, up \$0.41.
- **Full-Year 2024 Results Were:** Revenues of \$3,864 billion, up 3.04%, and net income of \$411 billion, up 3.76%.

- Click our report on Travel & Leisure: [TNL Overview](#)

Economic Data:

- **US Housing Starts:** fell to 1.366 million, down from 1.515 million last month, decreasing -9.83%.
- **US Building Permits:** rose to 1.483 million, up from 1.482 million last month, up 0.07%.
- **NY Fed Business Leaders Survey Current Business Activity:** fell by -10.50, down from -5.60 last month.
- **UK Consumer Price Index YoY:** rose to 3.00%, compared to 2.50% last month.
- **UK Core Consumer Price Index YoY:** rose to 3.78%, compared to 3.20% last month.
- **UK Producer Price Index: Input YoY:** fell -0.14%, compared to -1.28% last month.
- **UK Producer Price Index: Output YoY:** rose to 0.29%, compared to -0.15% last month.
- **UK Average House Price YoY:** rose to 4.65%, compared to 3.85% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 552.10, down 5.07 points or 0.91%.
- **FTSE 100:** Closed at 8,712.57, down 54.20 points or 0.01%.
- **DAX Index:** Closed at 22,433.63, up 410.87 points or 1.80%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,627.59, up 71.25 points or 0.16%.
- **S&P 500:** closed at 6,144.15, up 14.57 points or 0.24%.
- **Nasdaq Composite:** closed at 20,056.25, up 14.99 points or 0.07%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,846.58, up 46.48 points or 1.22%.
- **Birling Capital US Bank Index:** closed at 7,203.55, up 108.63 points or 1.54%.
- **US Treasury 10-year note:** closed at 4.53%.
- **US Treasury 2-year note:** closed at 4.28%.



GDPNow

Forecast for the First Quarter 2025

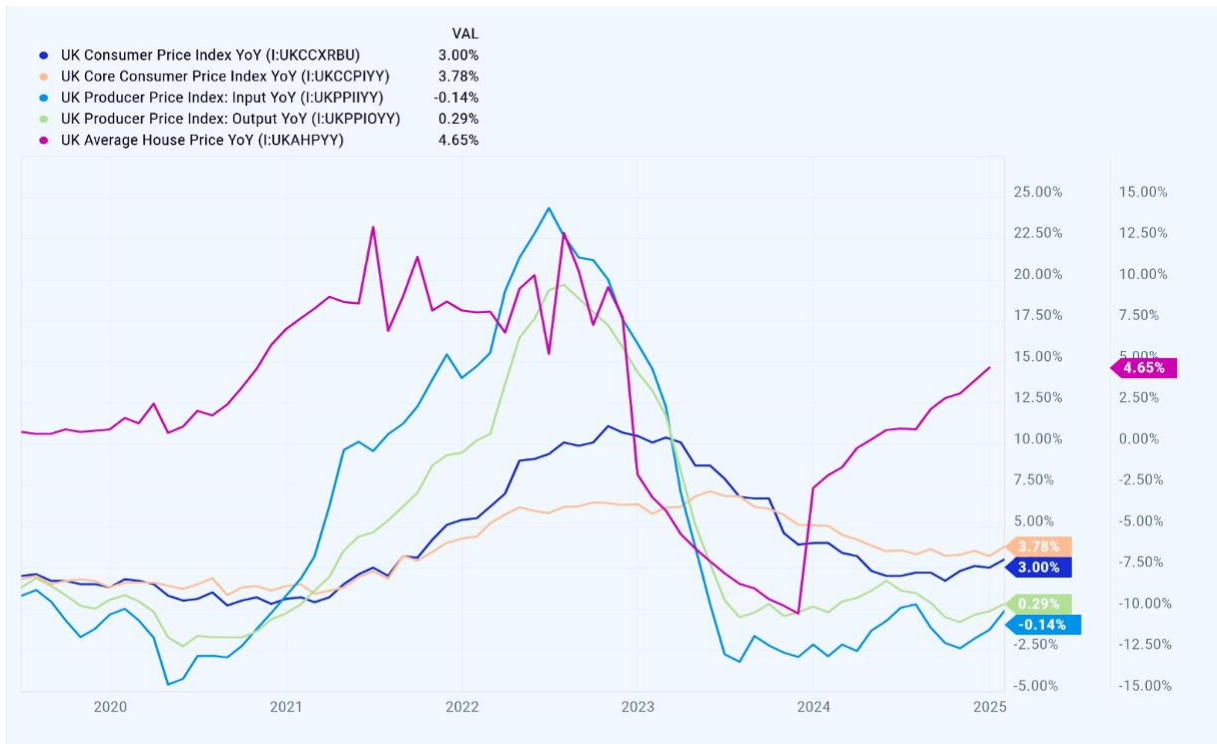
Date	GDPNow 1Q25	Change
1/31/25	2.90%	Initial Forecast
2/3/25	3.90%	34.48%
2/5/25	2.90%	-25.64%
2/7/25	2.90%	0.00%
2/14/25	2.30%	-20.69%
2/19/25	2.30%	0.00%



US Housing Starts, US Building Permits & NY Fed Business Leaders Survey Current Business Activity



UK CPI, UK Core CPI, UK PPI Input, UK PPI Output & UK Average House Price



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