

Walmart Exceeds Earnings Expectations, But Pessimistic Outlook Drags Markets Lower; Unemployment Claims Also Rise, and The Dow Jones Falls 450.94 points.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The US and European stock markets closed with losses as equity markets as investors offloaded shares of prominent companies following a disappointing forecast from the retail behemoth Walmart with concerns regarding the broader economic outlook. Despite Walmart surpassing fourth-quarter revenue and earnings per share estimates, its future outlook disappointed the markets. Asian markets fell after China's central bank maintained its policy rate at 3.1%.

Bond yields have decreased, with the 10-year Treasury note closing at 4.50%. The US dollar is weakening against major currencies. In commodities, West Texas Intermediate (WTI) crude oil prices have risen due to a production halt following Ukraine's drone attack on Russia's Caspian pipeline.

In labor market news, initial jobless claims increased to 219,000 last week, slightly higher than the anticipated 215,000. Despite weekly fluctuations, jobless claims have maintained an average of 215,000 over the past month, lower than the 2024 weekly average of 223,000. Anticipated federal government layoffs may push these figures higher; however, the data suggests that the labor market remains robust. The unemployment rate is steady at 4.0%, and job openings outpace unemployment figures.

Regarding economic forecasts, the Conference Board's Leading Economic Index (LEI) decreased by 0.3% to 101.5 in January. The primary factors influencing this decline were the yield curve's shape and rising jobless claims, whereas reduced weekly working hours and diminished consumer expectations for business conditions also contributed negatively. Conversely, manufacturing orders have stabilized, providing less drag on the index after a challenging two-year period. Both the LEI's six-month and annual growth trends suggest easing economic hurdles moving forward.

Corporate Earnings Parade:

- **Walmart Inc (WMT)** reported 4Q25 revenues of \$180.6 billion, up 4.1%, net income of \$5.25 billion, and EPS of \$0.66. With a stock price objective of \$106.93, Walmart's stock closed today at \$97.21, down \$6.79.
- **Click our report on Walmart:** [WMT.Report.2025.02.20.pdf](#)

Economic Data:

- **US Initial Claims for Unemployment Insurance:** rose to 219,000, up from 214,000 last week and up 2.34%.
- **30-Year Mortgage Rate:** fell to 6.85%, compared to 6.87% last week.
- **Canada New Housing Price Index YoY:** is at 0.08%, compared to 0.08% last month.
- **Eurozone Consumer Confidence Indicator:** is at -14.20, up from -14.50 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 95.30, up from 93.80 last month.

- **Germany Producer Price Index YoY:** fell to 0.50%, compared to 0.80% last month.
- **Japan Consumer Price Index YoY:** rose to 3.60%, compared to 2.90% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 551.01, down 1.09 points or 0.20%.
- **FTSE 100:** Closed at 8,662.97, down 49.56 points or 0.57%.
- **DAX Index:** Closed at 22,433.63, down 410.87 points or 0.53%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,176.55, down 450.94 points or 1.01%.
- **S&P 500:** closed at 6,117.52, down 26.63 points or 0.43%.
- **Nasdaq Composite:** closed at 19,962.36, down 93.89 points or 0.47%.
- **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 4.50%.
- **US Treasury 2-year note:** closed at 4.28%.



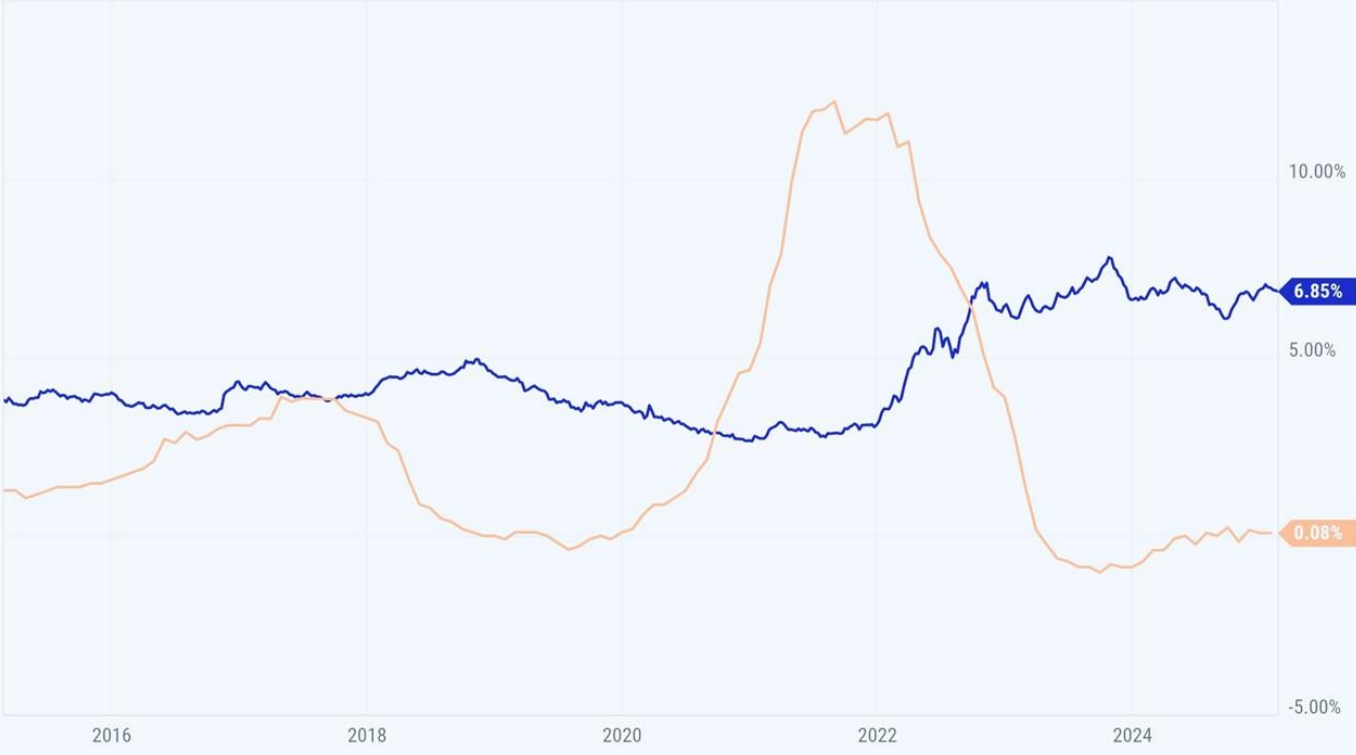
US Initial Claims for Unemployment, US Job Openings, & US Job Seekers





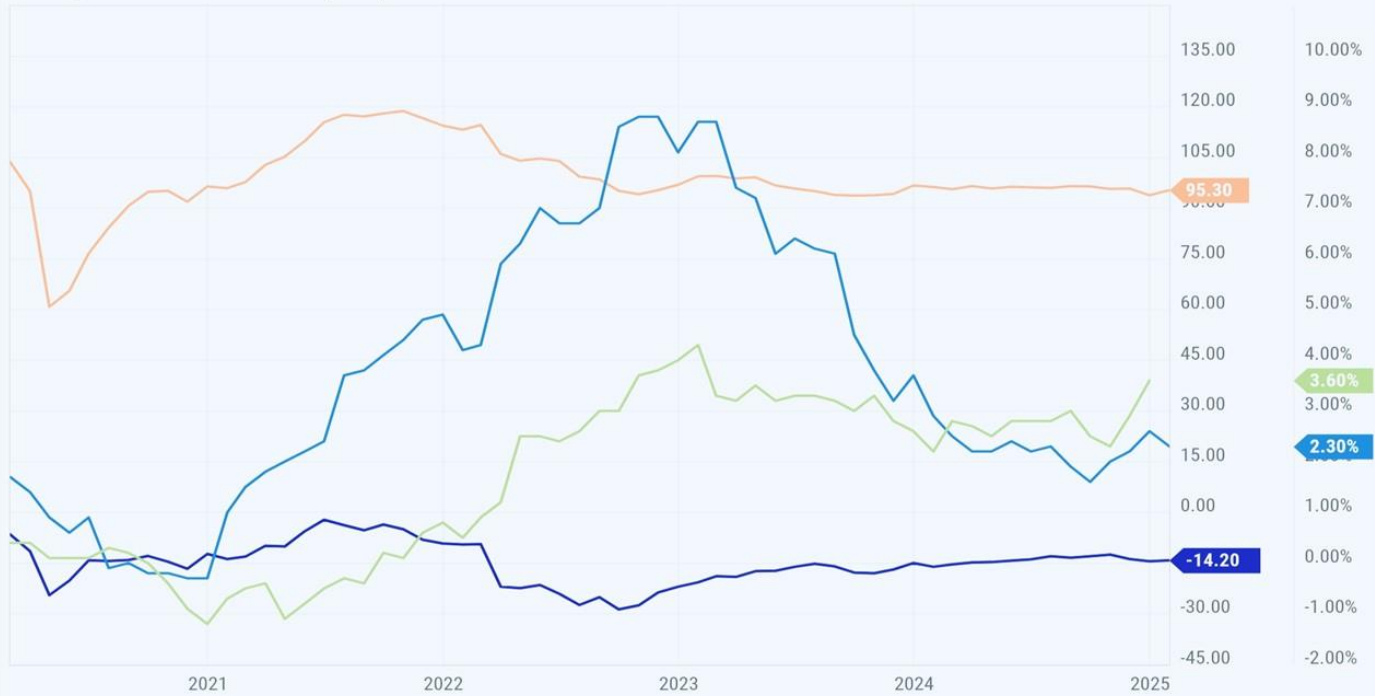
30-Year Mortgage Rate & Canada New Housing Price

- 30 Year Mortgage Rate VAL 6.85%
- Canada New Housing Price Index YoY 0.08%



EU Consumer Confidence Indicator, EU Economic Sentiment Indicator, Germany CPI & Japan CPI

	VAL
● Eurozone Consumer Confidence Indicator (I:ECCISM)	-14.20
● Eurozone Economic Sentiment Indicator (I:EESI)	95.30
● Germany Consumer Price Index YoY (I:GCCPNGCS)	2.30%
● Japan Consumer Price Index YoY (I:JPIR)	3.60%



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