

US GDP for the fourth quarter closes at 2.3%; ECB Rate Cut Rises EU Optimism, Tech Giants Propel Market Sentiment, and Wall Street closes Up.

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The US and European stock markets closed the week with gains, impacted by a robust report on fourth-quarter GDP and numerous earnings updates. However, it was a step down from the 3.1% growth in the previous quarter. Despite this, personal consumption expenditures rose to their highest point in seven quarters, underscoring continued robust consumer activity.

On the corporate side, tech heavyweights Meta and Microsoft revealed earnings after Wednesday's close, surpassing expectations for profits and revenues. Meta's shares climbed, whereas Microsoft saw a decline of about 5% in early trading due to disappointing revenue forecasts for the upcoming quarter. Tesla also released its quarterly results, reporting earnings and revenue below forecasts, though the company received praise for its cost management and prospects in autonomous driving.

European stock markets rose following the European Central Bank's decision to cut its main policy rate by 0.25% to 2.75%. Meanwhile, US bond yields fell, with the 10-year Treasury note closing at 4.52%.

Focusing on tech earnings, the reports from three of the "Magnificent 7" tech firms were in the spotlight, with Meta and Microsoft beating revenue and profit forecasts. At the same time, Tesla fell short, attributing the decrease to lower vehicle prices. Despite Tesla's earnings miss, its stock price increased, buoyed by optimism about its cost efficiency and autonomous vehicle initiatives. Conversely, Microsoft's shares dropped despite outperforming on earnings and sales, affected by its lower revenue outlook.

Furthermore, Meta's stock rallied after executives expressed confidence that substantial investments would drive revenue growth through 2025. With Apple scheduled to report its earnings later today, tech earnings will continue to capture investor attention. Analysts predict a roughly 12% earnings growth for the S&P 500 this quarter, potentially leading to an 8.5% annual growth rate for 2024. Expectations for 2025 point to a 15% increase in earnings, supported by favorable economic conditions and a bull market continuation.

As for the US economy, the initial fourth-quarter GDP estimate shows a solid close to 2024, with the economy growing 2.8% over the year. The main growth driver was personal consumption, which expanded at a 4.2% rate, the fastest since early 2023. However, decreases in nonresidential investment and inventories slightly offset this growth. This GDP report signals strong economic momentum heading into 2025, likely bolstered by a stable job market and easing inflation.

Corporate Earnings Parade:

- **Mastercard, Inc. (MA):** reported 4Q24 revenues of \$7.5 billion, up 14%, net income of \$3.3 billion, up 22%, and earnings per share of \$3.64, surpassing estimates and has a stock price objective of \$577.44.

- Full-year 2024 Revenues were \$28.2 billion, and net income was \$12.9, up 15%. Mastercard stock closed today at \$566.07, up \$17.21 or 3.14%.
- **View our report on Mastercard here:** [MA_pdf_report_2025-01-30-16-29.pdf](#)

Key Economic Data:

- **US Real GDP QoQ:** fell to 2.30%, compared to 3.10% last quarter.
- **US Initial Claims for Unemployment Insurance:** fell to 207,000, down from 223,000 last week, decreasing -7.17%.
- **US Total Vehicle Sales:** rose to 17.22 million, up from 17.14 million last month, increasing 0.47%.
- **US Pending Home Sales YoY:** fell -4.99%, compared to 6.22% last month.
- **30-Year Mortgage Rate:** fell to 6.96%, compared to 7.04% last week.
- **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, increasing 1.60%.
- **Eurozone Unemployment Rate:** rose to 6.30%, compared to 6.20% last month.
- **Germany Real GDP QoQ:** rose to 0.10%, compared to -0.30% last quarter.

Eurozone Summary:

- **Stoxx 600:** Closed at 538.84, up 4.58 points or 0.86%.
- **FTSE 100:** Closed at 8,646.88, up 89.07 points or 0.41%.
- **DAX Index:** Closed at 21,727.20, up 89.67 points or 0.41%.

Wall Street Summary:

- **Dow Jones Industrial Average:** Closed at 44,882.13, up 166.61 points or 0.38%.
- **S&P 500:** Closed at 6,071.17, up 31.86 points or 0.53%.
- **Nasdaq Composite:** Closed at 19,681.75, up 49.43 points or 0.25%.
- **Birling Capital Puerto Rico Stock Index:** Closed at 3,808.75, up 15.70 points or 0.41%.
- **Birling Capital US Bank Index:** Closed 6,954.96, up 13.58 points or 0.20%.
- **US Treasury 10-year note:** closed at 4.52%.
- **US Treasury 2-year note:** closed at 4.18%.

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

- US Real GDP QoQ 2.30%
- US Initial Claims for Unemployment Insurance 207000.0
- US Total Vehicle Sales 17.22M





US Pending Home Sales & 30-Year Mortgage Rate



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