



# Mixed Market Momentum: US and European Indices Diverge Amid Slowing Job Growth and Eurozone Confidence Declines.

January 8, 2025

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The US and European stock markets closed with mixed results, following the release of the ADP Employment Change Data, which fell 16.44%, the Eurozone reported that the EU Consumer Confidence Indicator and the Consumer Confidence Indicator fell further into contraction territory, reflecting weaker-than-expected economic confidence. On the upside, German Real Retail Sales rose to 3.60%.

In Asia, performance was mixed as China's yuan fell to a 16-month low against the U.S. dollar, weighed down by declining bond yields and concerns over trade tariffs. Meanwhile, the U.S. dollar continues its upward momentum against major currencies. The FOMC December 2024 minutes released state that rate cuts will slow, depending on incoming economic data and the committee expects that the inflation 2% target will be achieved gradually.

## Bond Market Update: Yields on the Rise

U.S. Treasury yields remain stable with the 10-year yield closing at 4.67%.

Bond market sentiment has shifted, with expectations for rate cuts diminishing as disinflation slows. The Inflation Nowcasting has the PCE at 2.59% and the Core PCE at 2.87%, which are 22.77% and 30.71%, respectively, above the Federal Reserve's 2.0% target. However, moderating shelter inflation will likely create room for the Fed to consider rate cuts later in 2025.

## Labor Market: Slower Growth, Resilient Trends

The December ADP employment report showed private sector job growth of 122,000, falling short of the consensus of 135,000 and below the 12-month average of 150,000.

Annual pay growth remains robust, increasing by 4.6% year-over-year.

Initial jobless claims dropped to 201,000, beating expectations of 215,000, while continuing claims increased to 1.87 million, slightly above forecasts of 1.85 million.

These data points suggest a resilient yet normalizing labor market. Hiring is slowing gradually, but significant layoffs remain off the table. This aligns with the narrative of a soft economic landing, which could provide ongoing support for broader economic growth.

## Key Economic Data:

- **ADP Employment Change:** fell to 122,000, down from 146,000 last month, decreasing -16.44%.
- **ADP Median Pay YoY:** is at 4.60%, compared to 4.80% last month.
- **Eurozone Consumer Confidence Indicator:** fell to -14.50, down from -13.80 last month.

- **Eurozone Economic Sentiment Indicator:** fell to 93.70, down from 95.60 last month, decreasing - 1.99%.
- **Germany Real Retail Sales YoY:** rose to 3.60%, compared to 1.40% last month.

#### Eurozone Summary:

- **Stoxx 600:** Closed at 514.67, up 1.65 points or 0.32%.
- **FTSE 100:** Closed at 8,245.28, down 4.38 points or 0.05%.
- **DAX Index:** Closed at 20,340.57, up 124.37 or 0.62%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,635.20, up 106.84 points or 0.25%.
- **S&P 500:** closed at 5,918.23, up 9.20 points or 0.16%.
- **Nasdaq Composite:** closed at 19,478.88, down 10.80 points or 0.06%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,645.44, up 47.43 points or 1.32%.
- **Birling Capital US Bank Index:** closed at 6,342.95, up 78.08 points or 1.25%.
- **US Treasury 10-year note:** closed at 4.67%.
- **US Treasury 2-year note:** closed at 4.28%.

Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.