



# Oriental Bank Reports Strong 2Q Results, Wall Street Rallies on Earnings Surge, Retail Strength, and Labor Resilience.

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The U.S. and European stock markets closed with substantial gains, as corporate earnings released this week have delivered a strong upside surprise, helping to boost investor sentiment. Approximately 50 companies from the S&P 500 have reported so far, and an impressive 88% have surpassed Wall Street's projections.

Economic indicators released Thursday added further momentum. The U.S. Department of Labor announced that jobless claims dropped to 221,000 for the week ending July 12—a decline of 7,000 from the previous week—signaling continued labor market resilience.

Meanwhile, retail sales showed unexpected strength. The U.S. Census Bureau reported a 0.6% month-over-month increase in June, significantly outpacing the 0.2% gain expected by economists surveyed by Dow Jones.

This strong retail sales print arrives at a pivotal moment, providing reassurance that consumer spending remains healthy despite ongoing economic uncertainty.

European markets are trending higher after the eurozone's CPI inflation held steady at 2.0% year-over-year in June, right in line with the European Central Bank's target. Meanwhile, Asian equities closed mostly in the green.

The WTI crude prices have climbed following Israeli airstrikes on Syrian territory, stoking geopolitical concerns across energy markets.

## **Labor Market Update: Jobless Claims Dip, Market Remains Resilient**

Initial jobless claims fell to 221,000 last week, defying expectations for a modest increase to 232,000. Continuing claims held steady at 1.95 million, reinforcing the narrative of a labor market that, while gradually cooling, remains fundamentally strong.

With 7.8 million job openings still outpacing the 7.0 million unemployed, and wage growth exceeding inflation, real incomes remain positive. This supports continued consumer activity and economic momentum. The unemployment rate remains at a historically low 4.1%.

Given these dynamics and the added uncertainty from tariff developments, the Federal Reserve is expected to hold rates steady at its upcoming July meeting, affording policymakers additional time to assess the trajectory of inflation.

## **Consumer Spending Holds Up: Retail Sales Beat Expectations**

Retail and food-service sales climbed 0.6% in June, outperforming the consensus estimate of a 0.2% increase. Vehicle sales were a major contributor, up 1.2% month-over-month. While part of this gain may reflect price increases, the underlying message is clear: U.S. consumers remain active participants in the economy.

The combination of steady employment, real wage gains, and strong consumer sentiment continues to drive spending. However, we expect the pace of economic growth to decelerate modestly through year-end before reaccelerating in 2026, powered by pro-growth fiscal policy, monetary easing, and deregulation efforts.

### Corporate Earnings Parade:

1. **OFG Bancorp (OFG):** reported 2Q25 revenues of \$182.175 mm, up 1.52%, net income of \$51.801 mm, up 1.31%, and earnings per share of \$1.15, meeting estimates. OFG has a Tier 1 Capital Ratio of 13.99% and a stock price target of \$48.67, and closed today at \$45.47
2. **PepsiCo Inc (PEP):** reported 2Q25 revenues of \$22,726 billion, up 1%, net income of \$1,789 billion, down 58.66%, and earnings per share of \$0.92, meeting estimates. PEP has a stock price target of \$147.69, closing today at \$145.44.

### Economic Data Highlights:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 221,000, down from 228,000 the previous week, a decrease of 3.07%.
- **U.S. Retail and Food Services Sales (Excluding Motor Vehicle and Part Dealers) MoM:** rose to 0.51%, compared to -0.15% last month.
- **U.S. Export Prices YoY:** rose 2.76%, compared to 1.95% last month.
- **U.S. Import Prices YoY:** is unchanged -0.21%, compared to -0.21% last month.
- **U.S. Wholesalers Inventories MoM:** fell -0.31%, compared to 0.13% last month
- **U.S. Business Inventories MoM:** rose 0.02%, compared to 0.01% last month.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 33.00, up from 32.00 last month.
- **30-Year Mortgage Rate:** rose to 6.75%, compared to 6.72% last week.
- **Eurozone Inflation Rate:** Excluding Energy, Food, Alcohol, and Tobacco is unchanged at 2.30%, compared to 2.30% last month.
- **U.K. ILO Unemployment Rate:** is unchanged at 4.70%, compared to 4.70% last month.
- **Japan Consumer Price Index YoY:** fell to 3.50%, compared to 3.60% last month.

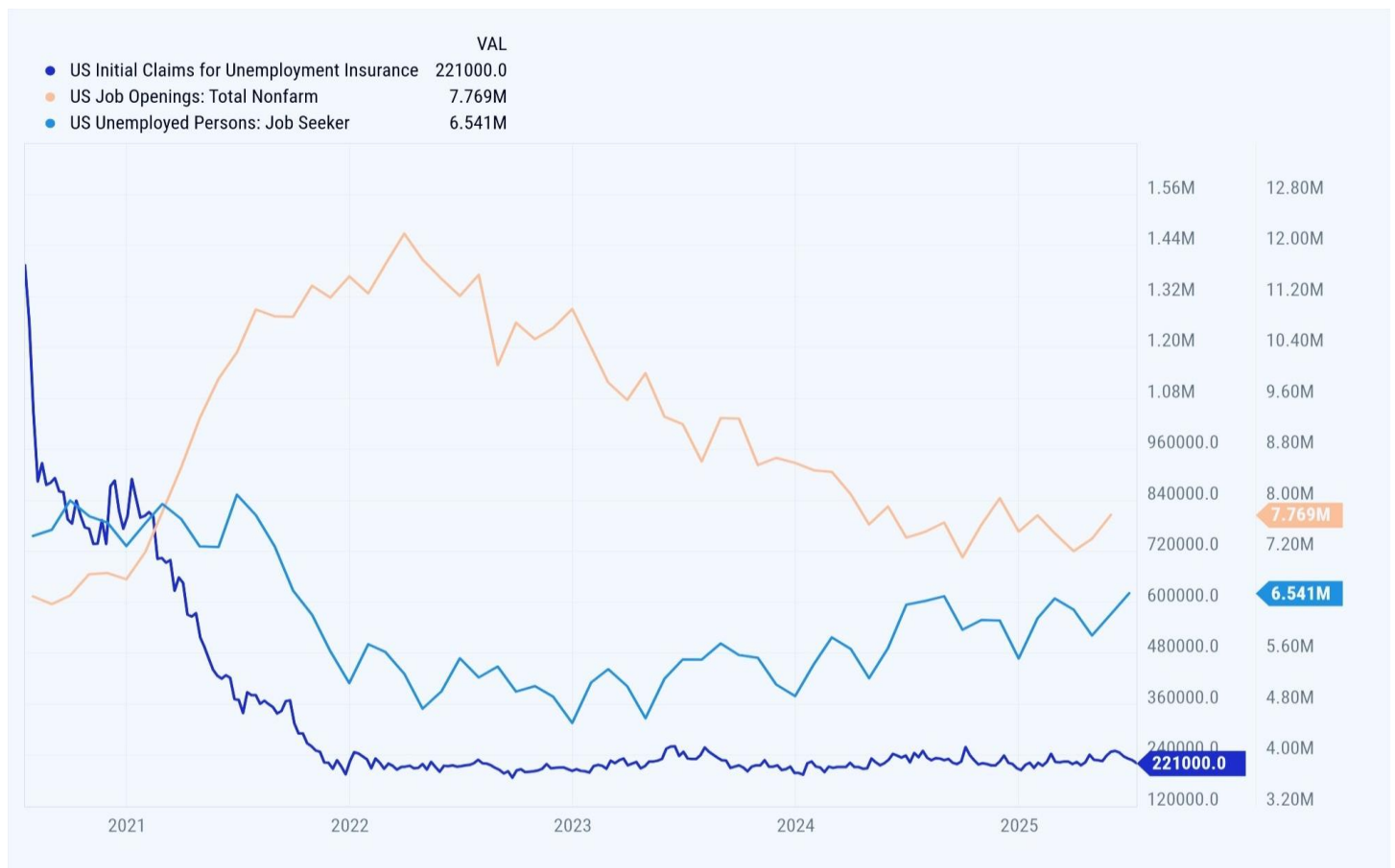
### Eurozone Summary:

- **Stoxx 600:** Closed at 547.03, up 5.19 points or 0.96%.
- **FTSE 100:** Closed at 8,972.64, up 46.09 points or 0.52%.
- **DAX Index:** Closed at 24,370.93, up 361.55 points or 1.55%.

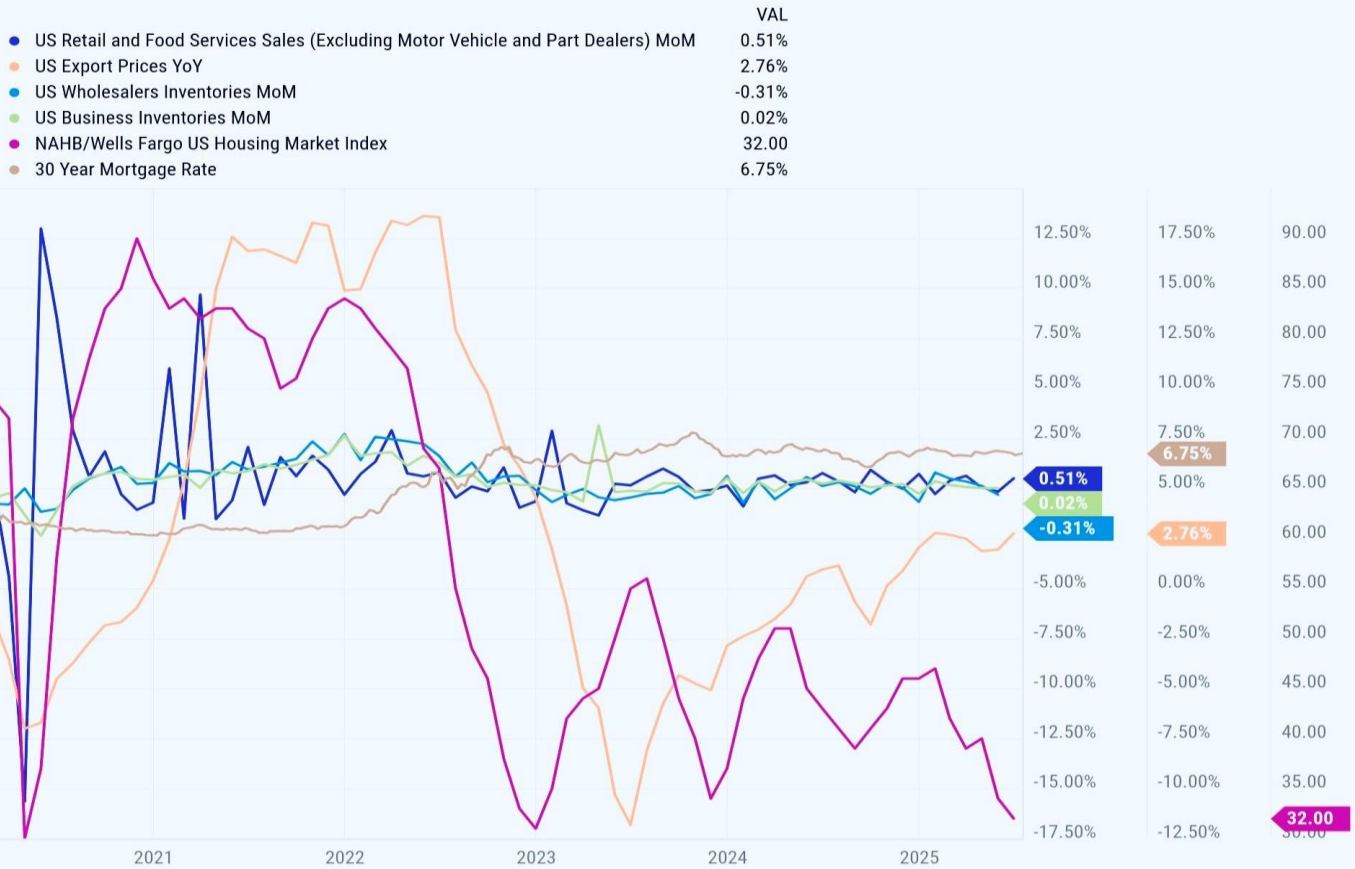
### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,484.49, up 229.71 points or 0.52%.
- **S&P 500:** closed at 6,297.36, up 32.66 points or 0.74%.
- **Nasdaq Composite:** closed at 20,884.27, up 153.78 points or 0.74%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,026.88, up 44.90 points or 1.13%.
- **Birling Capital U.S. Bank Index:** closed at 7,449.11, down 5.01 points or 0.07%.
- **U.S. Treasury 10-year note:** closed at 4.47%.
- **U.S. Treasury 2-year note:** closed at 3.91%.

# US Initial Claims for Unemployment Insurance; US Job Openings: Total Nonfarm & US Unemployed Persons: Job Seeker



# US Retail and Food Services Sales; US Export Prices YoY; US Wholesalers Inventories MoM; US Business Inventories MoM; NAHB/Wells Fargo Housing Market Index & 30 Year Mortgage Rate





# Wall Street Recap

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