



Wall Street Climbs Despite Trade Turbulence; Manufacturing Data Mixed and GDPNow for 2Q25 Rises to 4.60% GDP.

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The U.S. and European stock markets opened the week with mixed results amid renewed trade hostilities, following assertions from Chinese officials that the United States had breached the terms of their bilateral trade agreement. In a retaliatory move, President Trump announced a sharp increase in tariffs on imported steel and aluminum, raising them to 50%, effective June 4.

Despite the broader market pullback, energy and technology shares are seeing early strength, while consumer discretionary and financial stocks are underperforming. Treasury yields are moving higher, with the 10-year benchmark climbing to 4.46%.

Asian markets closed broadly in the red, and European markets closed lower as investors digested the latest escalation in global trade tensions. The U.S. dollar is slipping against a basket of major currencies, while WTI crude is trending higher after OPEC+ opted to maintain current production levels over the weekend.

Mixed Signals from U.S. Manufacturing

On the economic front, manufacturing activity offered a mixed picture:

The final S&P Global U.S. Manufacturing PMI for May climbed to 52.0, exceeding consensus expectations of 50.8 and marking the fifth straight month of expansion. Strength in new orders and input inventories underpinned the improvement.

In contrast, the ISM Manufacturing Index fell to 48.8—below forecasts of 49.5—signaling contraction. While supplier deliveries and new orders supported the reading, declines in production and inventory weighed on the index.

Taken together, the data suggest the manufacturing sector is navigating a period of stabilization, with pockets of strength helping to buttress overall economic resilience.

Tariff Tensions Deepen as Legal Battle Looms

Trade developments remain front and center. After President Trump alleged non-compliance by Beijing, Chinese authorities countered by accusing the U.S. of violating existing trade terms. The administration's proposed tariff hike on metals has sent U.S. steel stocks sharply higher, though the European Union has vowed to retaliate if the measures take effect.

Adding further complexity, a key U.S. appeals court will hold a hearing on June 9 to determine whether President Trump exceeded his authority under the International Emergency Economic Powers Act by imposing prior tariffs, including a 10% global levy and a 20% duty on Chinese fentanyl-related imports.

As legal and geopolitical uncertainties mount, we anticipate continued volatility and heightened sensitivity to headlines across risk assets, particularly in sectors closely tied to global trade.

GDPNow:

- The **GDPNow** for the second quarter of 2025 was updated on June 2 to 4.60%, up from 3.80%, a 21.05% increase.

Economic Update:

- **U.S. ISM Manufacturing PMI:** fell to 48.50, down from 48.70 last month, decreasing -0.41%.
- **U.S. Construction Spending MoM:** fell -0.45%, compared to -0.77% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 547.92, down 0.75 points or 0.14%.
- **FTSE 100:** Closed at 8,774.26, up 1.88 or 0.02%.
- **DAX Index:** Closed at 23,930.67, down 66.81 or 0.28%.

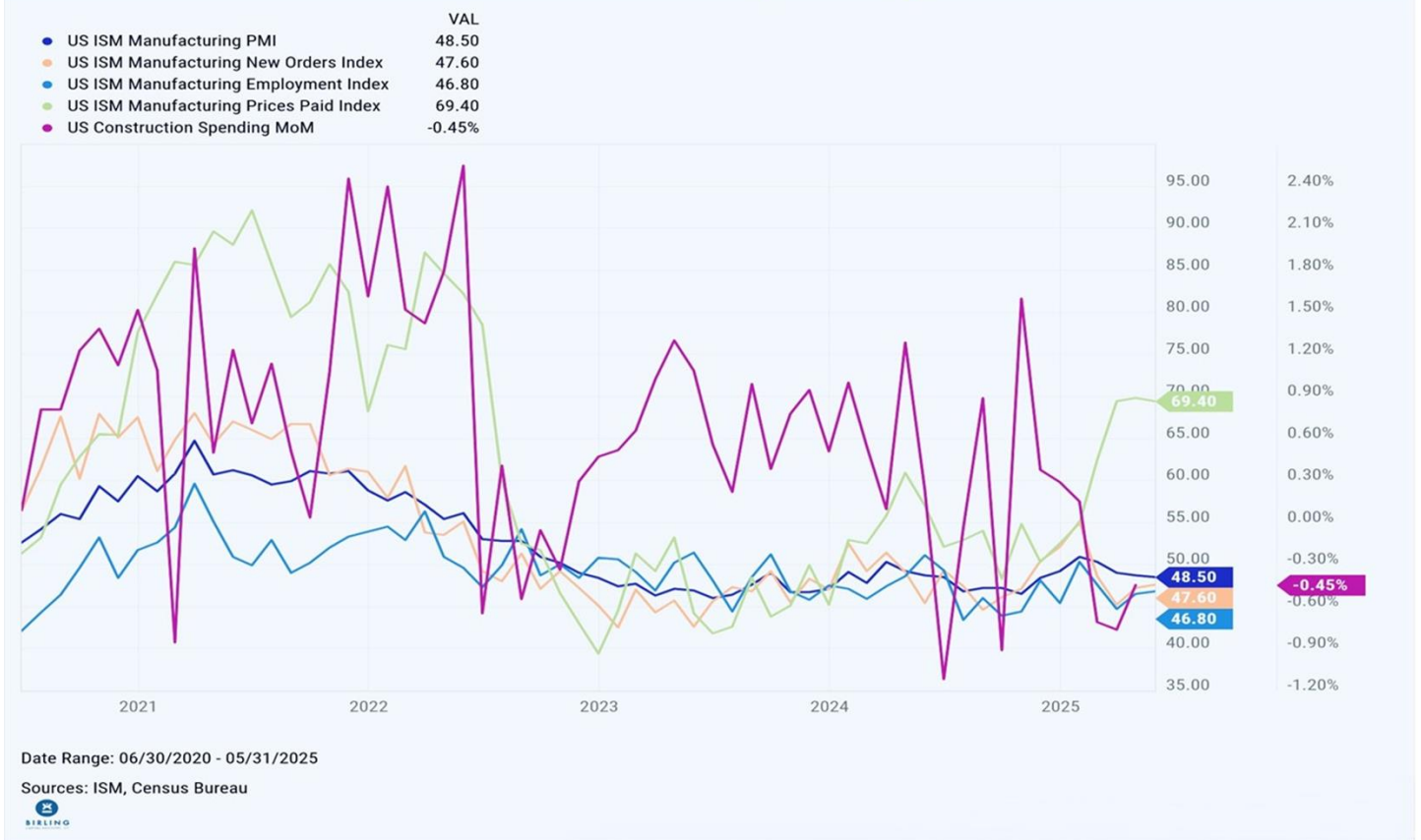
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,305.48, up 35.41 points or 0.08%.
- **S&P 500:** closed at 5,935.94, up 25.25 points or 0.41%.
- **Nasdaq Composite:** closed at 19,242.61, up 128.85 points or 0.67%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,859.25, down 17.92 points or 0.46%.
- **Birling Capital U.S. Bank Index:** closed at 6,700.30, down 7.39 points or 0.11%.
- **U.S. Treasury 10-year note:** closed at 4.46%.
- **U.S. Treasury 2-year note:** closed at 3.94%.

Second Quarter 2025

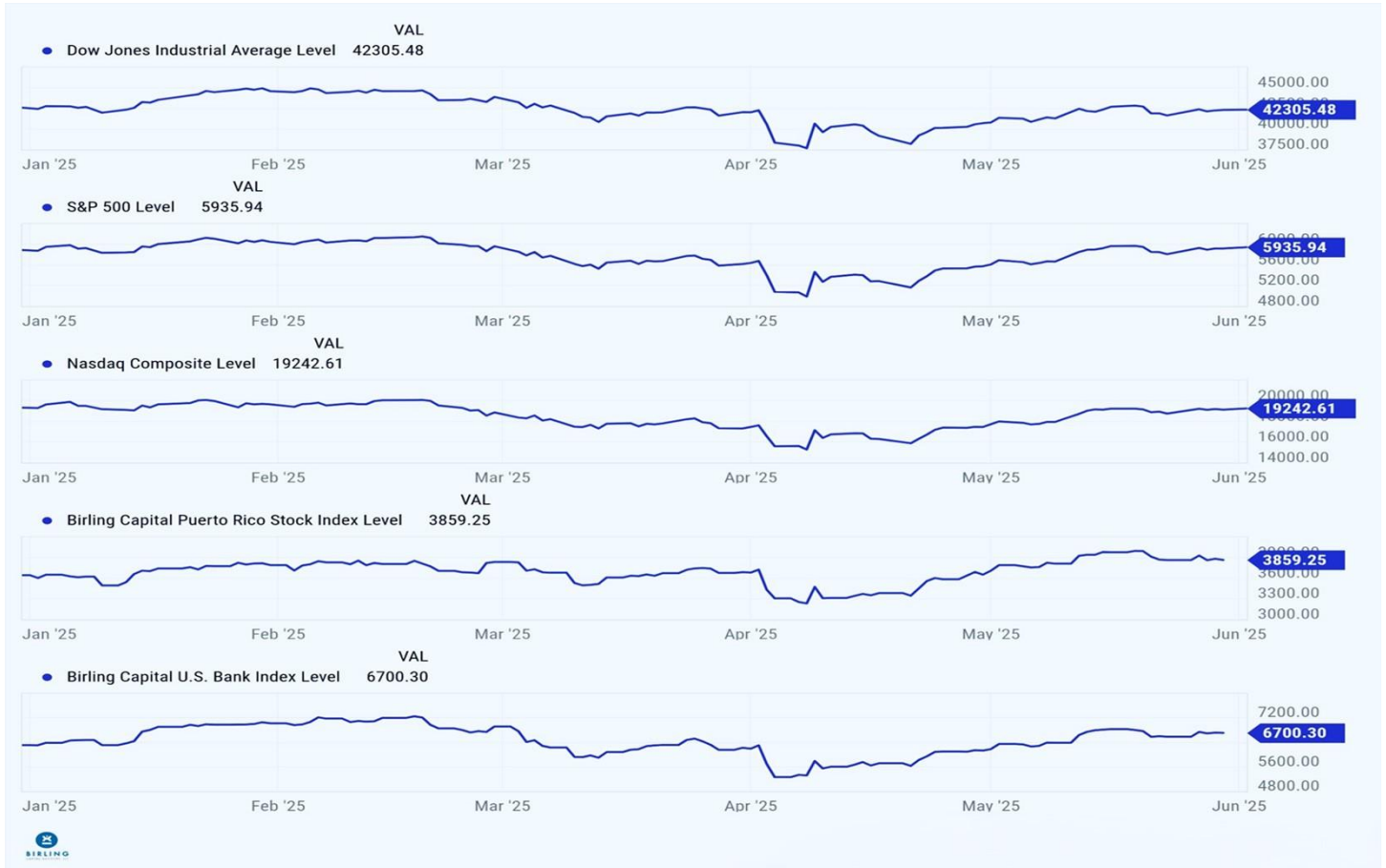
Date	GDPNow 2Q25	Change
4/30/2025	2.40%	Initial Forecast
5/1/2025	1.10%	-54.17%
5/6/2025	2.20%	100.00%
5/8/2025	2.30%	4.55%
5/15/2025	2.50%	8.70%
5/16/2025	2.40%	-4.00%
5/27/2025	2.20%	-8.33%
5/30/2025	3.80%	72.73%
6/2/2025	4.60%	21.05%

US ISM Manufacturing PMI, US ISM Manufacturing Prices Paid, US ISM Services New Orders, US ISM Manufacturing Employment Index, & US Construction Spending





Wall Street Recap June 2, 2025



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