

Investor Caution Deepens Amid U.S.-Iran Policy Delay; Yields Climb as Wall Street Edges Lower.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European Stock Markets closed mostly lower as investors' sentiment turned cautious following President Trump's announcement to delay a final decision on potential U.S. military involvement in the Israel-Iran conflict. The two-week extension for diplomacy has eased immediate geopolitical concerns and supported a risk-on tone in markets.

European markets closed mixed following the release of preliminary consumer confidence data, which came in slightly ahead of forecasts, offering a modest boost to regional sentiment. Asian markets closed mixed, with China's central bank opting to keep its one-year loan prime rate unchanged at 3.0%, as expected.

Oil Prices Slip Despite Middle East Tensions

WTI crude is modestly lower, reflecting market uncertainty over the broader implications of recent Israeli-Iranian airstrikes on oil supply. Traders are weighing the potential for a de-escalation against ongoing risks to regional production and transportation networks.

Economic Signals Mixed: Leading Index Declines

The Conference Board's Leading Economic Index (LEI) fell 0.1% in May to 99.0, missing expectations for no change. The decline was driven primarily by softening consumer outlooks on future business conditions and a pullback in ISM's new orders. A rebound in equity markets, particularly the S&P 500's strong performance in May, provided some offset. Overall, the data suggests a slowing growth trajectory. However, pro-business policies, including deregulation, tax incentives, and the growing prospect of lower interest rates, may provide support in the second half of the year.

Bond Yields Rise as Market Eyes Faster Fed Pivot

Treasury yields edged higher, with the 10-year yield at 4.42%, still below last month's high of 4.60%. This follows the Federal Reserve's updated dot plot, released earlier this week, which maintains the outlook for two rate cuts in 2025 but reduces the expected pace of easing next year to just one cut. Fed Governor Christopher Waller added to dovish sentiment today, suggesting a rate cut could arrive as soon as July. Futures markets, however, are pricing in a more aggressive path, anticipating two cuts this year, starting in September, and three more in 2026.

Lower rates help ease financial conditions, supporting both household and corporate borrowing and contributing to economic and earnings growth.

Economic Data Highlights:

- **Canada New Housing Price Index YoY:** fell -0.96%, compared to -0.56% last month.
- **Eurozone Consumer Confidence Indicator:** is at -15.20, up from -16.60 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 94.80, up from 93.80 last month, up 1.07%.
- **Germany Producer Price Index YoY:** fell -1.20%, compared to -0.90% last month.
- **UK Retail Sales excluding Fuel YoY:** fell -1.30%, compared to 5.20% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 536.56, up 0.67 points or 0.13%.
- **FTSE 100:** Closed at 8,774.65, down 17.15 points or 0.20%.
- **DAX Index:** Closed at 23,350.55, up 293.17 points or 1.27%.

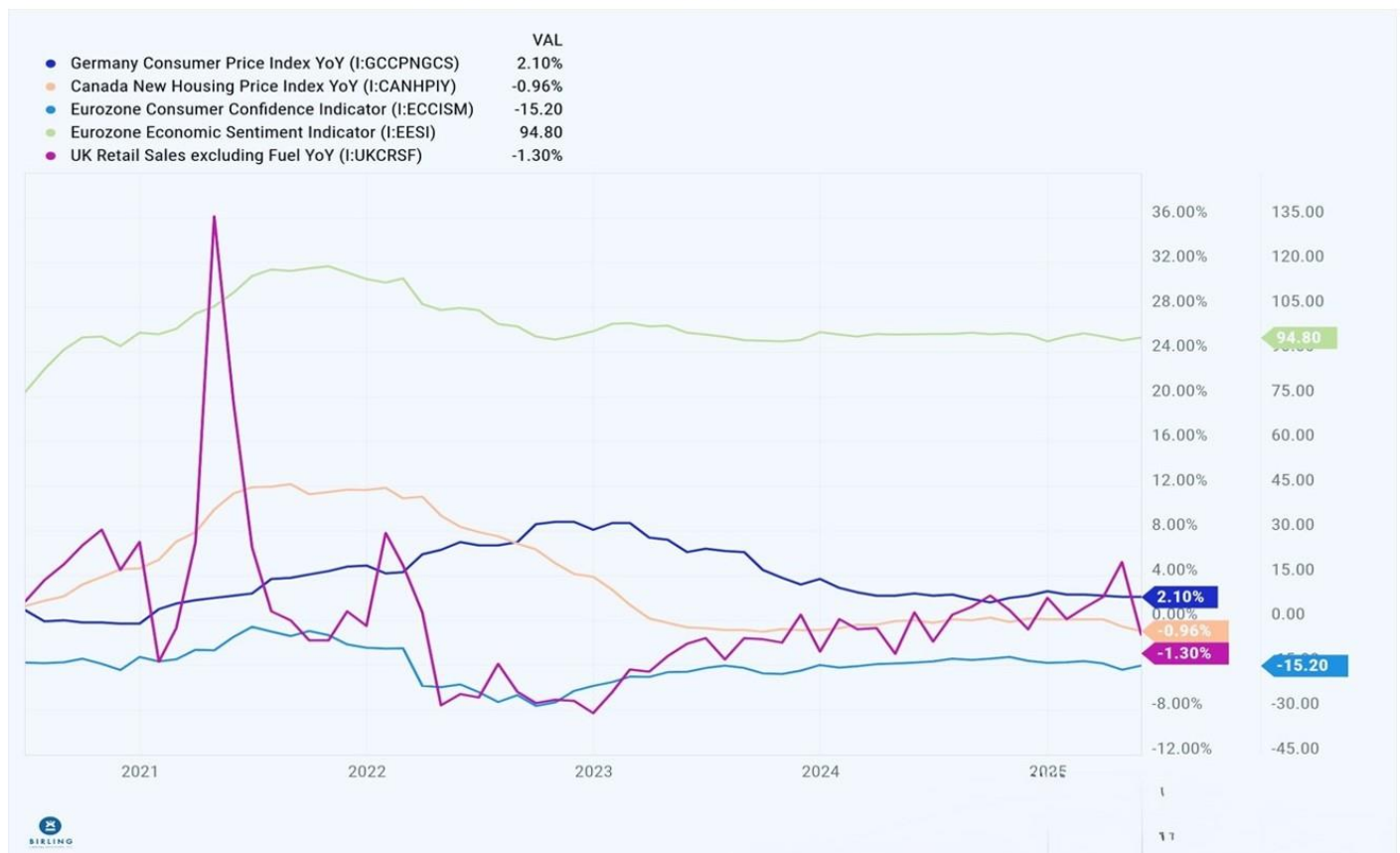
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,206.82, up 35.16 points or 0.08%.
- **S&P 500:** closed at 5,967.84, down 13.03 points or 0.22%.
- **Nasdaq Composite:** closed at 19,447.41, down 98.86 points or 0.51%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,823.93, up 15.51 points or 0.41%.
- **Birling Capital U.S. Bank Index:** closed at 6,920.74, up 128.94 points or 1.90%.
- **U.S. Treasury 10-year note:** closed at 4.38%.
- **U.S. Treasury 2-year note:** closed at 3.90%.



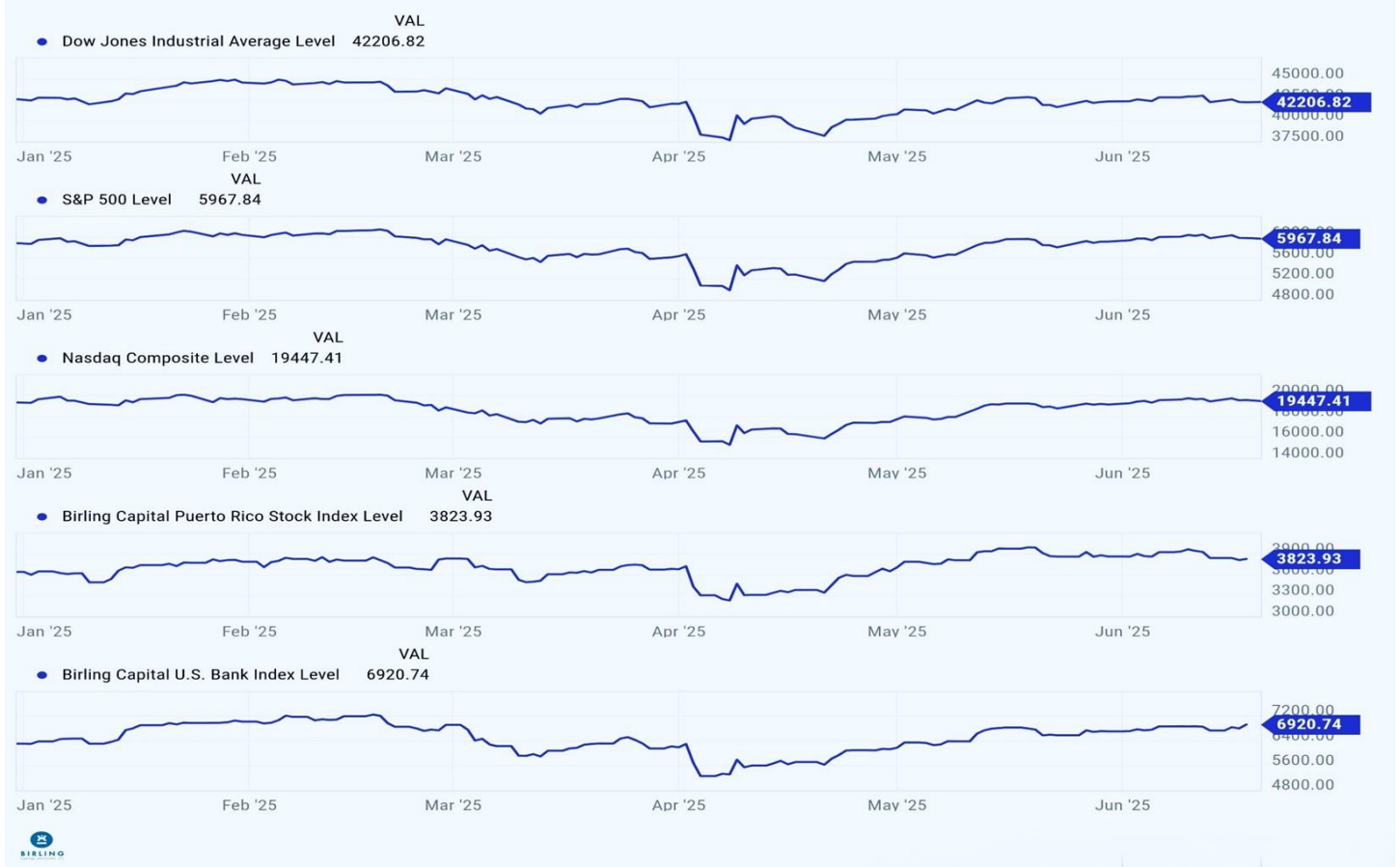
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Germany CPI, Canada New Housing Price Index, EU Consumer Confidence, EU Economic Sentiment & UK Retail Sales





Wall Street Recap June 20, 2025



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