



# U.S. Equities Surge Toward Record Highs; Wall Street Gains While Global Markets Show Mixed Results.

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The U.S. and European equity markets closed the day with gains, with the S&P 500 inching closer to its record high set on February 19. In Europe, markets closed up following weaker-than-expected consumer confidence data from Germany, while Asian markets showed mixed results overnight. On the economic front, first-quarter real GDP growth has been revised down to a 0.5% annualized contraction, but initial jobless claims for the previous week came in better than expected. In the bond market, yields have ticked slightly lower, with the 10-year Treasury yield closing at 4.26%.

## Stocks Near Record Highs: What's Next?

After a turbulent period earlier this year driven by policy uncertainty, U.S. equity markets have surged over the past two months. A combination of de-escalating trade tensions, resilient economic data, and strong corporate earnings from the first quarter has helped fuel a more than 20% rally in the S&P 500 since its low on April 8. While some volatility is likely to persist, peak uncertainty has passed, and U.S. equities present attractive investment opportunities for the next one to three years. As part of our tactical asset allocation strategy, we recommend increasing exposure to U.S. large-cap and mid-cap stocks while reducing allocations to international bonds and developed international equities. Sector-wise, we advocate for overweight in financials and healthcare while underweighting consumer staples and materials. For a comprehensive analysis and detailed market insights, please refer to our exclusive Global Market Square Monthly Market Review, available to clients through our paid subscription service.

## Focus on Economic Growth and Job Market Data

The third estimate for first-quarter real GDP growth revealed a sharper-than-expected slowdown in the U.S. economy, with real GDP contracting at a 0.5% annualized rate, down from the previous estimate of a 0.2% contraction. This downward revision was largely due to weaker-than-anticipated consumer spending and exports. Looking ahead to Q2, trade impacts are expected to reverse, with the Atlanta Fed's GDPNow tracker forecasting 3.4% growth for the quarter. Along with GDP data, initial jobless claims dropped to 236,000 last week, beating expectations of 245,000 and marking the lowest level in six weeks. However, continuing claims rose to 1.97 million, the highest since November 2021, which could indicate that some job seekers are facing challenges securing new positions. We anticipate a slowdown in economic growth in 2025 compared to the above-trend rates of 2023 and 2024. However, we expect full-year growth to remain positive, and a recession remains unlikely. As the macroeconomic landscape evolves, upcoming data—particularly the May Personal Consumption Expenditures (PCE) report, scheduled for release on Friday—will be pivotal. The Inflation Nowcasting has the PCE at 2.25% YoY gain, while core PCE (which excludes food and energy prices) is expected to rise to 2.58% YoY.

## Economic Data Highlights:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 236,000, down from 246,000 the previous week, a decrease of 4.07%.
- **U.S. Total Vehicle Sales:** fell to 16.09 million, down from 17.72 million in the previous month, representing a decrease of 9.17%.
- **U.S. Durable Goods New Orders MoM:** rose to 16.37%, compared to -6.63% last month.
- **U.S. Pending Home Sales YoY:** rose to 1.11%, compared to -2.46% last month.
- **30-Year Mortgage Rate:** fell to 6.81%, compared to 6.84% last week.
- **Kansas City Fed Manufacturing Production Index:** rose to 5.00, up from -10.00 last month.

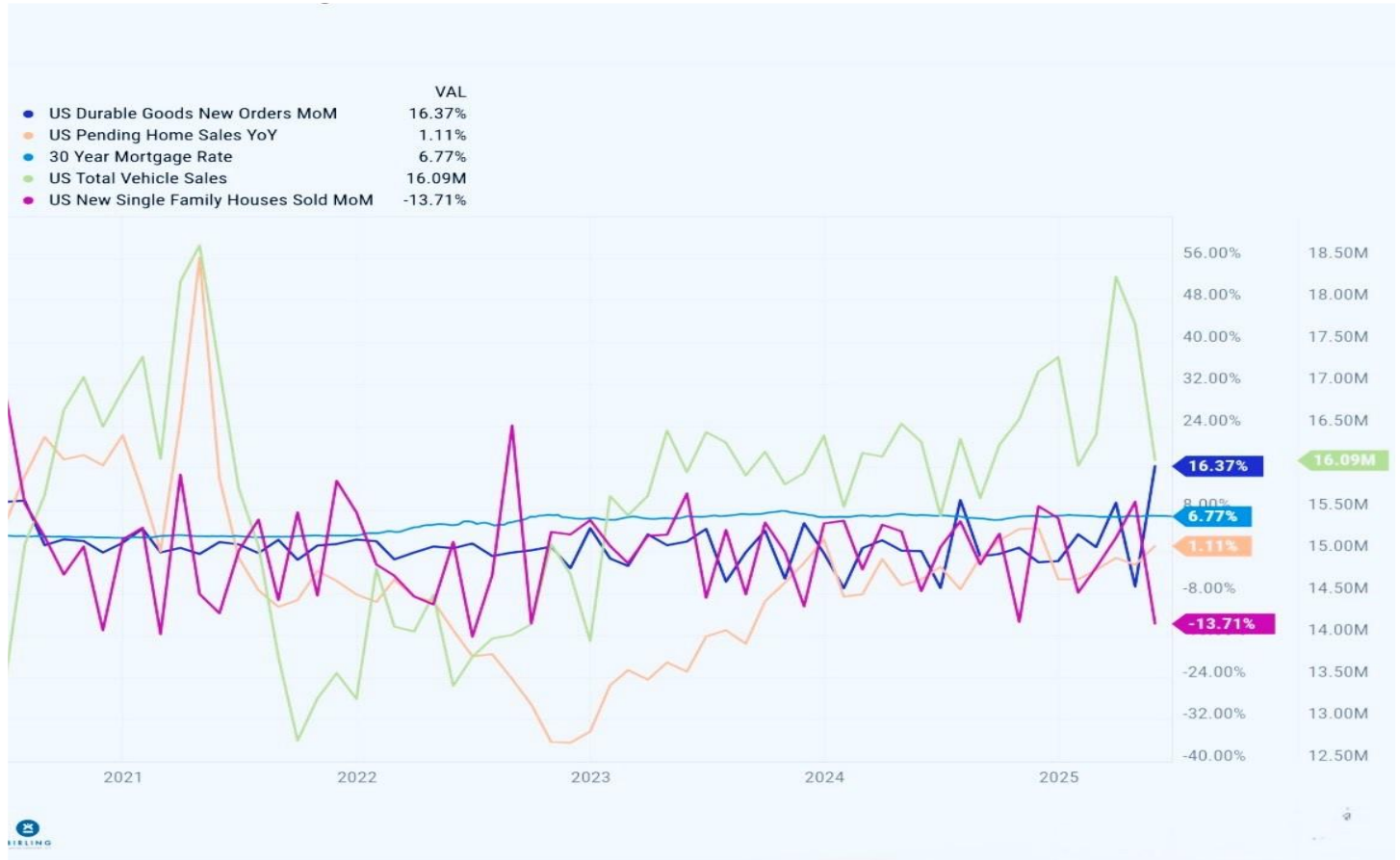
## Eurozone Summary:

- **Stoxx 600:** Closed at 537.48, up 0.50 points or 0.09%.
- **FTSE 100:** Closed at 8,735.60, up 16.85 points or 0.19%.
- **DAX Index:** Closed at 23,649.30, up 150.97 points or 0.54%.

## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,386.84, up 404.41 points or 0.94%.
- **S&P 500:** closed at 6,141.02, up 48.86 points or 0.80%.
- **Nasdaq Composite:** closed at 20,167.91, up 194.36 points or 0.97%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,963.02, up 5.87 points or 0.15%.
- **Birling Capital U.S. Bank Index:** closed at 7,246.90, up 83.41 points or 1.16%.
- **U.S. Treasury 10-year note:** closed at 4.26%.
- **U.S. Treasury 2-year note:** closed at 3.70%.

# US Durable Goods New Orders MoM; US Pending Home Sales YoY; 30 Year Mortgage Rate; US Total Vehicle Sales & US New Single Family Houses Sold MoM



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





## Wall Street Recap June 26, 2025



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