



## Stocks Continue Weekly Uptrend as Consumer Sentiment Index Climbs to 60.70; Trade Outlook Improves and Core PCE Misses Expectations, Rising to 2.68%.

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The U.S. and European stock markets closed higher, with some at record highs, amid strong sentiment. Wall Street closed up, driving the S&P 500 to reach fresh record highs, now up 23% since bottoming out on April 8, as it overcame fresh remarks from President Donald Trump regarding U.S.-Canada tariffs. The market's resilience marks a dramatic reversal from the April slump when trade policy uncertainties weighed heavily on investor sentiment. The S&P climbed to close at a record 6,173.07, surpassing its prior peak of 6,147.43. The rally continues to be supported by multiple tailwinds: renewed trade optimism, solid corporate earnings, easing geopolitical tensions, and growing expectations of interest rate cuts. Nike led market momentum, jumping over 10% after issuing upbeat guidance that suggests its recent sales downturn may be behind it. Despite today's 0.7% rebound, crude oil remains down 12% for the week, reflecting ongoing volatility in energy markets.

### Trade Negotiations Progress Ahead of Key Tariff Deadline.

The global trade backdrop continues to improve as the July 9 reciprocal tariff deadline approaches. Although the end of the 90-day tariff pause had raised concerns of renewed friction, U.S. officials have signaled flexibility, calling the deadline "non-binding". Constructive developments include a bilateral agreement between the U.S. and China to boost Chinese rare-earth exports in exchange for a rollback of select U.S. countermeasures. In parallel, Commerce Secretary Lutnick confirmed that ten new trade agreements are nearing final approval, though specifics remain under wraps. Meanwhile, the controversial Section 899 "revenge tax" provision has been shelved following G7 support for excluding U.S. firms from targeted foreign levies, which has eased investor concerns over retaliatory measures. Trade uncertainty is subsiding, allowing markets to refocus on economic fundamentals.

### Core PCE Inflation Slightly Hotter

Today's PCE Inflation data showed that the core Personal Consumption Expenditures (PCE) index rose 0.2% in May, slightly above the Inflation Nowcasting. The PCE rose to 2.34%, up from 2.20%, and the Core PCE rose to 2.68% from 2.58% YoY. While inflation remains near multi-year lows, upward pressure may build as tariff-related costs filter through the supply chain. Many firms have shielded consumers by tapping pre-tariff inventories or absorbing costs, but that buffer is eroding. Several companies plan to implement price increases starting this month. In response, the Federal Reserve raised its 2025 inflation outlook from 2.8% to 3.1% last week, citing tariff risks and input cost pressures. Even so, services inflation remains stable, and policymakers expect the upward price drift to be temporary, projecting normalization by 2026. Next week's jobs report will be closely watched, with steady payroll growth and an unchanged 4.2% unemployment rate anticipated.

### GDPNow:

- **GDPNow** was updated today, falling to 2.9%, down from 3.4%, a 14.71% decrease.

## Economic Data Highlights:

- **U.S. PCE Price Index YoY:** is at 2.34%, compared to 2.20% last month.
- **U.S. Core PCE Price Index YoY:** rose to 2.68%, compared to 2.58% last month.
- **U.S. Index of Consumer Sentiment:** rose to 60.70, up from 52.20 last month, increasing 16.28%.
- **U.S. Personal Income MoM:** fell -0.42%, compared to 0.73% last month.
- **U.S. Personal Spending MoM:** fell -0.14%, compared to 0.21% last month.
- **Canada Real GDP MoM:** fell -0.09%, compared to 0.21% last month.
- **Eurozone Consumer Confidence Indicator:** fell to -15.30, down from -15.10 last month.
- **Eurozone Economic Sentiment Indicator:** fell to 94.00, down from 94.80 last month.
- **Japan Unemployment Rate:** is unchanged at 2.50%, compared to 2.50% last month.

## Eurozone Summary:

- **Stoxx 600:** Closed at 543.63, up 6.15 points or 1.14%.
- **FTSE 100:** Closed at 8,798.91, up 63.31 points or 0.72%.
- **DAX Index:** Closed at 24,033.22, up 383.92 points or 1.62%.

## Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,819.27, up 432.43 points or 1.00%.
- **S&P 500:** closed at 6,173.07, up 32.05 points or 0.52%.
- **Nasdaq Composite:** closed at 20,273.46, up 105.54 points or 0.52%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,022.48, up 59.46 points or 1.50%.
- **Birling Capital U.S. Bank Index:** closed at 7,371.22, up 124.31 points or 1.72%.
- **U.S. Treasury 10-year note:** closed at 4.29%.
- **U.S. Treasury 2-year note:** closed at 3.73%.



## GDPNow

### 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%
6/5/2025	3.80%	-17.39%
6/9/2025	3.80%	0.00%
6/17/2025	3.50%	-7.89%
6/18/2025	3.40%	-2.86%
6/27/2025	2.90%	-14.71%

# US PCE Price Index, US Core PCE Price Index, US Index of Consumer Sentiment, US Personal Income & US Personal Spending





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## Canada GDP, EU Consumer Confidence, EU Economic Sentiment, & Japan Unemployment Rate





## Wall Street Recap June 27, 2025



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