

GLOBAL MARKET SQUARE



Global Markets Impacted as Tech Stumbles, ECB Cuts Rates, Job Cuts Surge and Asset Rotation Intensifies.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The US and European stock markets closed with a mixed performance as stocks struggled amid weakness in the tech sector and growth-oriented sectors, leading the decline. Semiconductor giant Marvell is facing downward pressure after posting better-than-expected earnings, though its disappointing forward guidance raised concerns about the high expectations for companies tied to artificial intelligence. The guidance from Marvell is dampening sentiment across growth sectors, causing the Nasdaq Composite to dip nearly 2% in early trading. Asian markets saw gains following news that Chinese tech leader Alibaba unveiled a new AI model, showing performance on par with the DeepSeek model launched in January. European markets closed mixed after the European Central Bank reduced its policy rate by 0.25% to 2.5%.

Diversification Emerges as Key Focus in 2025

With market volatility rising in 2025, the importance of a diversified portfolio tailored to individual investment and financial goals has become the key to success. Although the S&P 500 Index is slightly lower year-to-date, international developed-market stocks have gained over 10%, including dividends, as of yesterday's close. Emerging-market stocks have also risen by 4%. The technology and consumer discretionary sectors, which powered the S&P 500's gains in 2023 and 2024, have fallen by more than 6% this year. On the other hand, defensive sectors like healthcare and consumer staples and cyclical sectors such as financials have delivered solid returns in 2025. As our Annual Outlook outlines, we expect leadership across sectors to broaden in 2025. A well-diversified portfolio may help mitigate the effects of volatility and take advantage of this shift. While the bull market remains intact, the pace of growth may slow, and volatility may persist, underscoring the significance of diversification.

Jobless Claims Decrease While Job Cuts Rise

Initial jobless claims for the previous week fell to 221,000, better than the expected 236,000 and below the prior week's figure of 242,000. Meanwhile, the February Challenger report revealed that US employers announced 172,000 job cuts, marking an increase of 244% from 50,000 in January and the highest monthly total since 2020. Approximately 62,000, or 36.04%, of the job cuts were from federal government positions. On a more positive note, company hiring plans surged to nearly 35,000, the most substantial February result since 2022. With an uncertain policy environment, job growth may slow in the coming months as businesses adjust to the volatile landscape and potentially defer hiring decisions. However, we do not foresee a significant deterioration in labor-market conditions or a sharp rise in the unemployment rate.

Corporate Earnings Parade:

- **Macy's, Inc. (M):** reported 4Q24 revenues of \$7.768 billion, down 4.3%, and net income of \$342 million, up from a loss, with Earnings Per Share of \$1.21 and a stock price objective of \$16.91.
- **Full-year 2024 Results:** were revenues of \$22,293 and net income of \$582 million.
- **View our report on Macy's:** [Macys.Report.2025.03.06.pdf](#)

Economic Data Update:

- **US Productivity:** fell to 1.50%, compared to 2.90% last quarter.
- **US Initial Claims for Unemployment Insurance:** fell to 221,000, down from 242,000 last week, decreasing -8.68%.
- **US Unit Labor Costs: Nonfarm Business QoQ:** rose to 2.20%, compared to -1.50% last quarter.
- **US Trade Balance on Goods:** fell to -156.77B, down from -123.28B last month.
- **US Wholesale Inventories MoM:** rose to 0.80%, compared to -0.40% last month.
- **30-Year Mortgage Rate:** fell to 6.76%, compared to 6.85% last week.
- **Canada Ivey PMI:** fell to 53.60, down from 55.30 last month.
- **Eurozone Retail Trade YoY:** fell to 1.50%, compared to 2.20% last month.
- **China Exports YoY:** rose to 10.57%, compared to 6.71% last month.
- **China Imports YoY:** rose to 1.12%, compared to -3.79% last month.
- **China Trade Balance:** rose to \$104.84B, up from \$97.44B last month, increasing 7.59%.

Eurozone Summary:

- **Stoxx 600:** Closed at 555.90, down 0.19 points or 0.03 %.
- **FTSE 100:** Closed at 8,682.84, down 73.00 points or 0.83%.
- **DAX Index:** Closed at 23,419.48, up 338.45 points or 1.47%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,579.08, down 427.51 points or 0.99%.
- **S&P 500:** closed at 5,738.50, down 104.13 points or 1.78%.
- **Nasdaq Composite:** closed at 18,069.26, down 483.48 points or 2.61%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,724.48, up 20.40 points or 0.55%.
- **Birling Capital US Bank Index:** closed at 6,426.61, up 56.85 points or 0.89%.
- **US Treasury 10-year note:** closed at 4.29%.
- **US Treasury 2-year note:** closed at 3.96%.



US Productivity, US Initial Claims for Unemployment, US Unit Labor Costs, US Trade Balance on Goods, US Wholesale Inventories & 30-Year Mortgage Rate



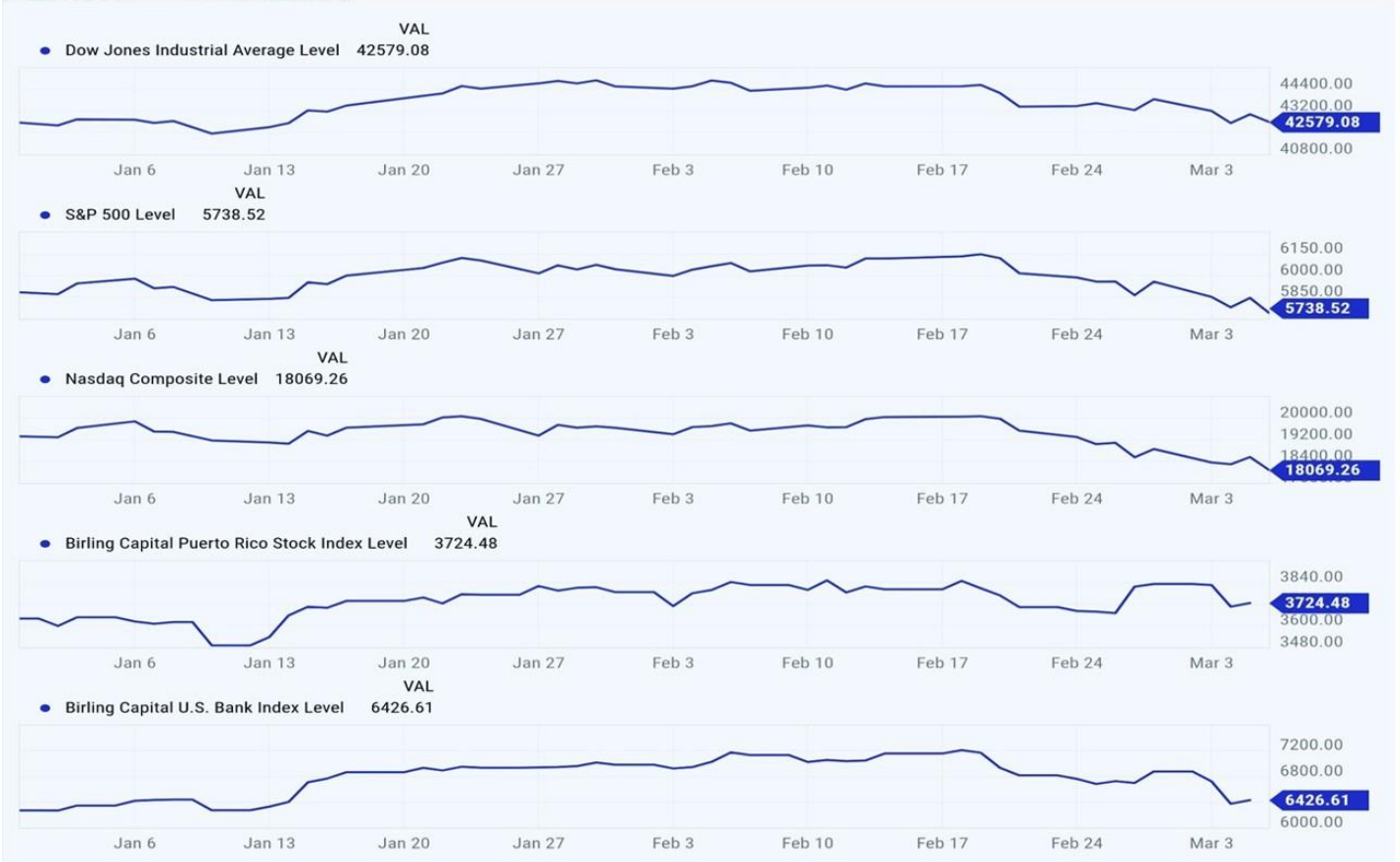




Wall Street Recap

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