

Market Rally Stalls Even as Economic Data Eases Recession Fears, Powell Stays Confident, and Existing Home Sales Soar.

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The US and European stock markets closed with losses as the Wall Street comeback fizzles. Also, additional economic data released today suggests that fears of an economic recession may be overestimated. The National Association of Realtors reported that existing home sales surged 4.16% in February compared to the previous month, ahead of the industry expectations of a 3% decline. Meanwhile, jobless claims saw only a modest uptick last week, with historically low layoffs.

The data follows remarks from Federal Reserve Chair Jerome Powell, who reaffirmed confidence in the economy's resilience. Powell described overall economic conditions as "strong" and expressed confidence that current monetary policy is well-positioned to respond to emerging signs of weakness. He also downplayed concerns about the inflationary impact of tariffs, suggesting that any price pressures stemming from trade policies are likely to be temporary.

In global markets, Asian stocks posted mixed results after China's central bank held its benchmark rate steady at 3.1%, as widely anticipated. European equities, however, are under pressure, with banking and auto stocks leading declines following the Bank of England's decision to leave interest rates unchanged, also in line with expectations.

Bond markets are seeing a decline in yields, with the 10-year US Treasury yield slipping to 4.24%. Meanwhile, the US dollar is gaining against major currencies, remaining about 5% below its January high. In commodities, WTI crude oil is trading higher.

Jobless Claims Tick Up, but Labor Market Remains Resilient

Initial jobless claims increased to 223,000 last week, just shy of the 224,000 forecasted. The four-week moving average is 227,000, slightly above the weekly 2024 average of 223,000. While upcoming federal government layoffs may push claims higher in the coming months, current data suggests the labor market remains solid footing. With the unemployment rate holding steady at 4.1% and job openings continuing to outpace the number of unemployed workers, wage growth is expected to stay ahead of inflation, supporting real income gains and consumer spending.

Leading Economic Index Dips but No Recession Signal

The Conference Board's Leading Economic Index (LEI), which provides early insights into economic trends, declined 0.3% in February to 101.1. The dip was driven by weaker consumer expectations for business conditions and a slowdown in manufacturing orders. However, positive factors—such as an uptick in weekly hours worked in manufacturing and gains in the S&P 500—helped offset some of the weakness.

Despite the decline, the six-month trend of the LEI remains on an upward trajectory, suggesting no imminent recession risks. While economic momentum is moderating amid policy uncertainty, the outlook could improve by implementing pro-growth policies, such as deregulation and tax incentives, potentially bolstering economic activity later in the year.

Corporate Earnings Parade:

- **FedEx Corp. (FDX):** reported 3Q25 revenues of \$22.2 billion, flat, net income of \$910 million, down 16.51%, and Earnings Per Share of \$3.76. With a stock price objective of \$310.03, the stock closed today at \$246.21, down \$0.91.
- Click our report on FedEx: [FDX pdf report 2025-03-20-17-04.pdf](#)

Economic Data Update:

- **US Initial Claims for Unemployment Insurance:** rose to 223,000, up from 221,000 last week, increasing 0.90%.
- **US Existing Home Sales:** rose to 4.26 million, up from 4.09 million last month, increasing 4.16%.
- **30-year mortgage rate:** rose to 6.65%, compared to 6.63% last week.
- **Germany Producer Price Index YoY:** rose to 0.70%, compared to 0.50% last month.
- **UK ILO Unemployment Rate: Aged 16-64:** is unchanged at 4.50%, compared to 4.50% last month.
- **Bank of England Bank Rate:** fell to 4.50%, compared to 4.75% yesterday.
- **Japan Consumer Price Index YoY:** rose to 4.00%, compared to 3.60% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 552.98, down 2.39 points or 0.43%.
- **FTSE 100:** Closed at 8,701.99, down 4.67 points or 0.054%.
- **DAX Index:** Closed at 22,999.15, down 288.91 points or 1.24%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,953.32, down 11.31 points or 0.03%.
- **S&P 500:** closed at 5,662.89, down 12.40 points or 0.22%.
- **Nasdaq Composite:** closed at 17,691.63, down 59.16 points or 0.33%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,649.96, up 24.24 points or 0.67%.
- **Birling Capital US Bank Index:** closed at 6,237.35, up 98.77 points or 1.61%.
- **US Treasury 10-year note:** closed at 4.24%.
- **US Treasury 2-year note:** closed at 3.95%.

US Initial Claims for Unemployment, US Job Openings, and US Job Seekers

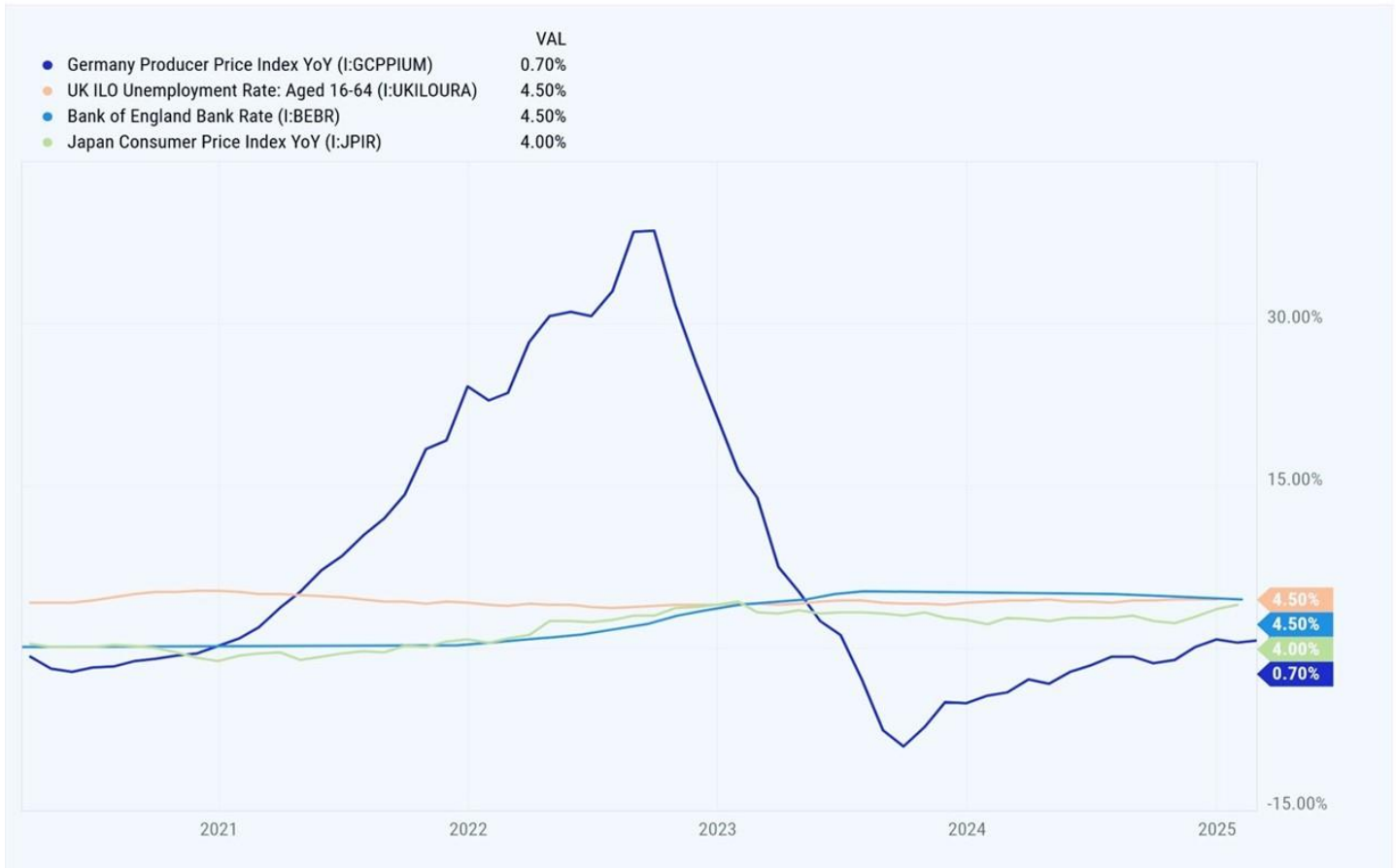


US Existing Home Sales & 30-Year Mortgage Rate

VAL
 • US Existing Home Sales 4.26M
 • 30 Year Mortgage Rate 6.65%



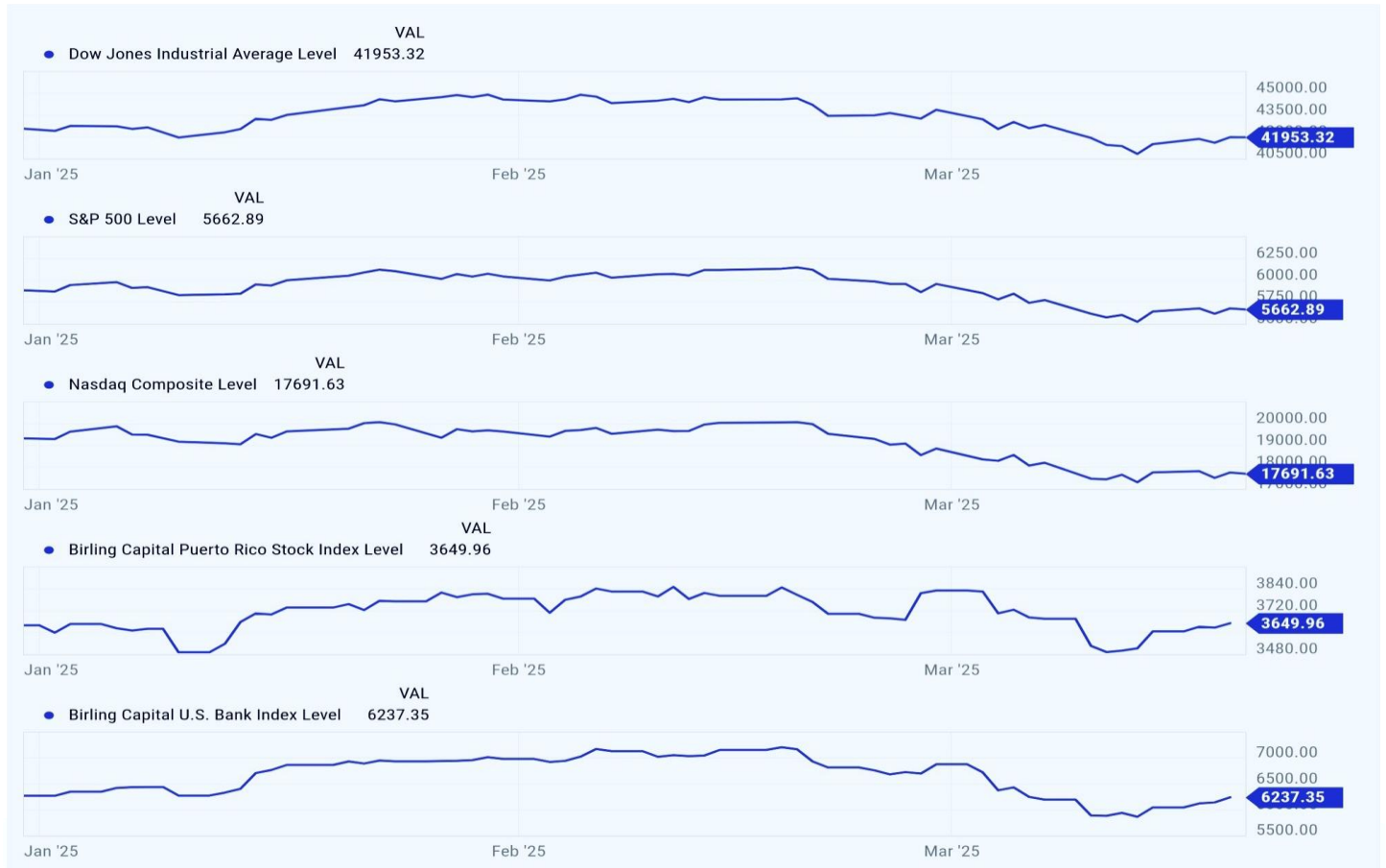
Germany PPI, UK Unemployment Rate, Bank of England Bank Rate and Japan CPI





Wall Street Recap

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