



GLOBAL MARKET SQUARE



Markets Rise on Solid Jobs Report and Tech Earnings; Trade Hopes Boost Asia, Inflation Holds Steady in Eurozone.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed higher, fueled by stronger-than-expected job creation in April, even as previous months saw downward revisions. U.S. Treasury yields are slightly higher, with the 10-year yield ticking up to 4.28%.

European shares are also trading higher, following data showing Eurozone inflation remained unchanged at 2.2% in April.

Asian markets finished mostly in the green, buoyed by reports that China may be open to resuming trade negotiations with the United States. While any agreement is likely to be complex and protracted, a potential thaw in trade tensions would be a welcome development for both economic growth and market stability. Meanwhile, the U.S. dollar is weakening against major currencies.

Job Market Remains Resilient Despite Revisions

The U.S. economy added 177,000 nonfarm jobs in April, outpacing expectations for 135,000 and exceeding the 12-month average of 152,000 new positions. However, job growth figures for February and March were revised downward by a combined 58,000, tempering some of the strength. Healthcare and transportation were the top contributors, accounting for nearly half of the job gains. The unemployment rate held steady at 4.2%, in line with forecasts, while average hourly earnings rose 3.8% year-over-year—slightly below the projected 3.9%. These figures reinforce a narrative of a labor market that is still expanding at a moderate but sustainable pace. Wage growth remains comfortably above inflation, bolstering consumer spending and supporting broader economic momentum.

With inflationary pressures tied to tariffs still unfolding, the Federal Reserve is expected to remain in a holding pattern for now. Futures markets have moved expectations for the next rate cut to July from June, though three to four cuts are still priced in for the year.

Earnings Picture Brightens as Major-Tech Names Beat Forecasts

Investor sentiment is also getting a lift from earnings season, which is showing signs of stronger-than-anticipated performance. Amazon and Apple surpassed earnings expectations in their first-quarter reports released last night, although Apple's forward guidance came in softer than hoped.

Apple (AAPL) Q1 2025 Earnings Summary

Apple reported revenue of \$95.4 billion, marking a 5% year-over-year increase, and delivered earnings per share (EPS) of \$1.65, up 8%. Net income reached \$24.8 billion, reflecting continued profitability.

While service revenue remained flat, Apple saw strong hardware performance, driven by the successful launch of the iPhone 16e and the refreshed Mac and iPad lines. The company also

announced a \$100 billion share repurchase program and raised its quarterly dividend to \$0.26 per share.

However, Apple warned of a \$900 million tariff-related cost impact expected in the upcoming quarter. Shares closed at \$205.30, down \$8.02, reflecting investor concerns over margin pressure and geopolitical risks.

71% of S&P 500 companies have reported results, with 76% beating analyst expectations by an average margin of 8.7%. The improved showing has pushed consensus estimates for first-quarter earnings growth to 11.9%, up significantly from 6.7% at the start of the quarter. Gains are broadly distributed, with eight of 11 sectors expected to post year-over-year earnings growth. This breadth supports the case for a more balanced market rally and underscores the value of diversification. While analysts expect earnings growth to slow modestly in the quarters ahead, full-year 2025 earnings are still projected to rise 9.5%. Even if those estimates are revised lower due to margin pressures from tariffs, corporate profits appear strong enough to continue supporting equity valuations.

Economic Update:

- **U.S. Nonfarm Payrolls MoM:** fell to 177,000, down from 185,000 last month, decreasing -4.32%.
- **U.S. Unemployment Rate:** is unchanged at 4.20%, compared to 4.20% last month.
- **U.S. Labor Force Participation Rate:** rose to 62.60%, compared to 62.50% last month.
- **U.S. Durable Goods New Orders MoM:** rose to 9.20%, compared to 0.83% last month.
- **Eurozone Unemployment Rate:** is unchanged 6.20%, compared to 6.20% last month.
- **Japan Unemployment Rate:** rose to 2.50%, compared to 2.40% last month.

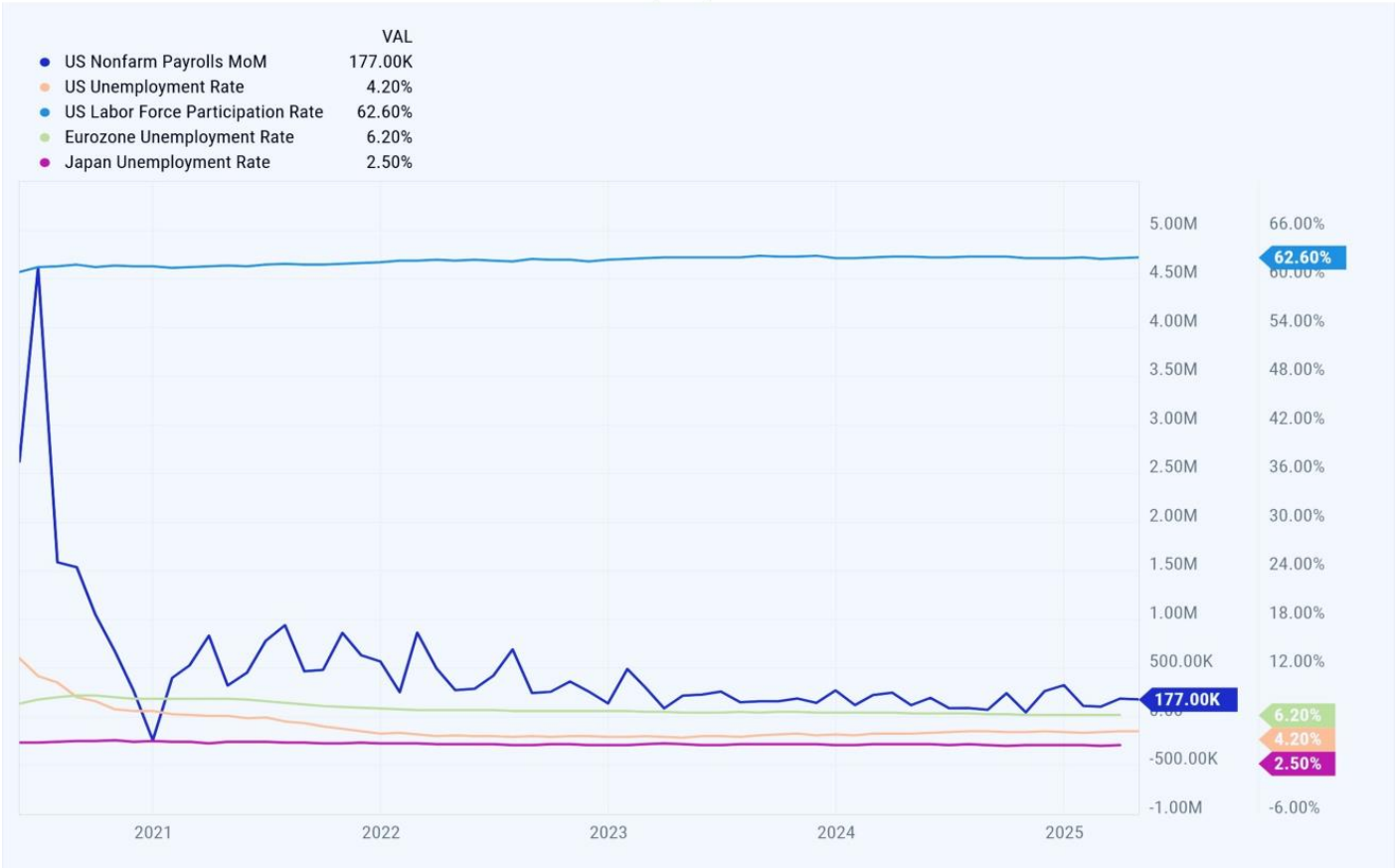
Eurozone Summary:

- **Stoxx 600:** Closed at 536.43, up 8.83 points or 1.67%.
- **FTSE 100:** Closed at 8,596.35, up 99.55 or 1.17%.
- **DAX Index:** Closed at 23,086.65, up 589.67 or 2.62%.

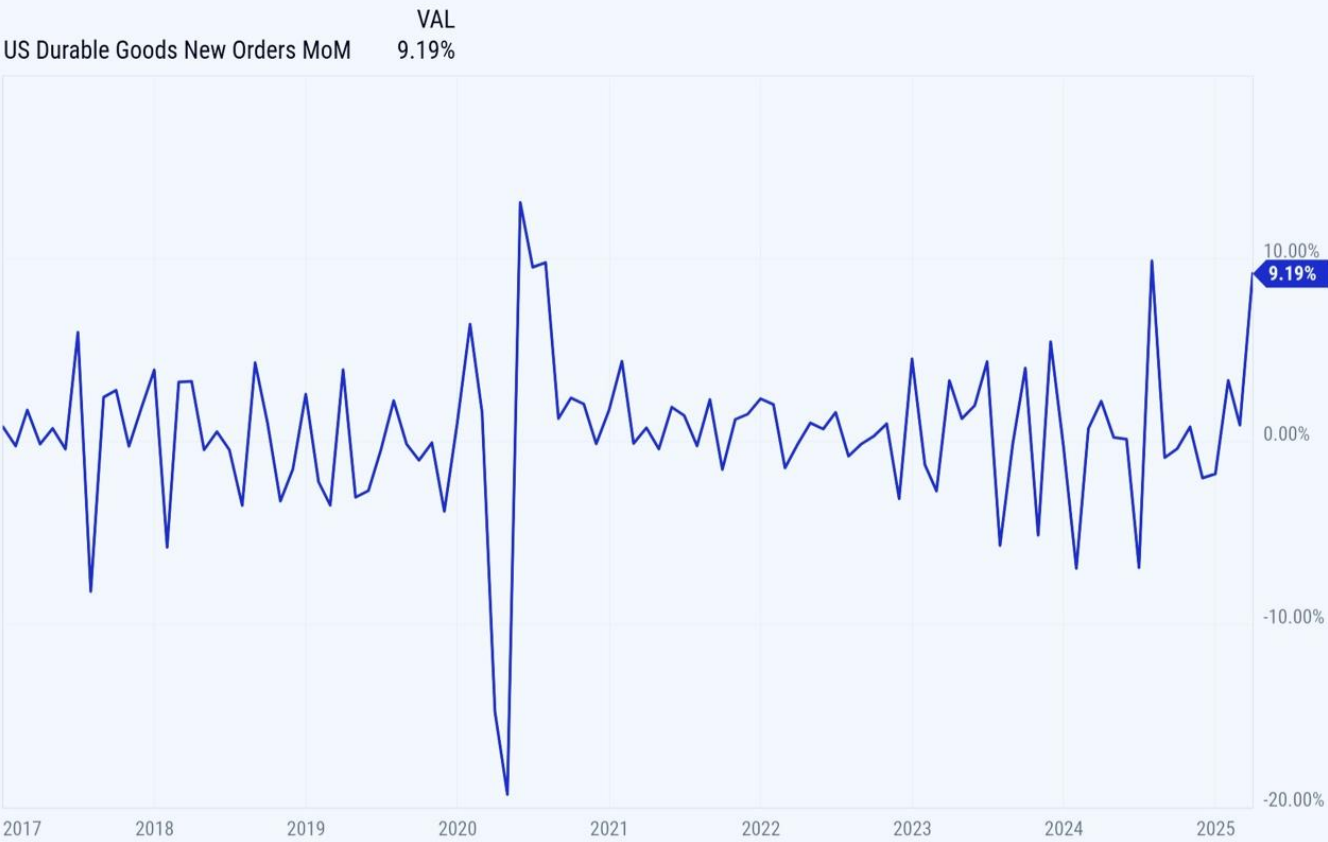
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,317.43, up 564.47 points or 1.39%.
- **S&P 500:** closed at 5,686.67, up 82.53 points or 1.47%.
- **Nasdaq Composite:** closed at 17,977.73, up 266.99 points or 1.51%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,703.85, up 56.57 points or 1.55%.
- **Birling Capital U.S. Bank Index:** closed at 6,140.61, up 48.12 points or 0.79%.
- **U.S. Treasury 10-year note:** closed at 4.33%.
- **U.S. Treasury 2-year note:** closed at 3.83%.

US Nonfarm Payrolls MoM, US Unemployment Rate, US Labor Force Participation Rate, Eurozone Unemployment Rate & Japan Unemployment Rate



US Durable Goods New Orders MoM





Wall Street Recap May 2, 2025



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