

# Home Depot's Revenues rose \$39.86 billion, up 9.4%, while Eurozone Consumer Confidence tanked and Wall Street closed down.

**May 20, 2025**

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets closed with mixed results, with the Dow Jones falling 114.83 points, the Nasdaq falling 72.75 points, and the S&P 500 losing 23.14 points, ending the six-day winning streak. Today was a relatively quiet day on the economic calendar, putting corporate earnings and sector rotation in the spotlight. Early market leadership reflects a defensive posture, with utilities and consumer staples among the few gaining ground. Broadly, most sectors within the S&P 500 closed modestly down.

On the corporate front, Home Depot delivered better-than-expected top-line results for the first quarter, although earnings were marginally below consensus. Importantly, management reaffirmed full-year guidance and confirmed the company has no plans to raise prices in response to recently imposed tariffs.

Asian equities closed mostly higher following the People's Bank of China's move to reduce two benchmark lending rates by 10 basis points to stimulate economic activity. In fixed income, Treasury yields are ticking upward, with the 10-year yield closing at 4.48% and the 2-year yield at 3.97%.

## Retailers Step into the Earnings Spotlight

The season is closing with approximately 93% of S&P 500 companies reporting Q1 earnings. This week, attention shifts to the retail sector, where consumer demand and pricing power are under scrutiny. Home Depot's results helped set the tone today, while Target, Lowe's, TJX, and Ross Stores are scheduled to report in the coming days.

Investors are particularly focused on how these companies navigate the evolving tariff landscape and whether pricing strategies will shift. Despite some earnings misses, early indications suggest retailers are holding steady on guidance and remain cautious about passing costs on to consumers.

S&P 500 companies are currently on track for 13% year-over-year earnings growth in Q1, a notable improvement from the 7% estimate at the end of March. While expectations have been tempered for the remainder of the year, full-year 2025 growth projections still point to a solid 9%, a target that remains achievable amid easing trade tensions and resilient economic conditions.

## Market Pulse: Rebound Continues Despite a Volatile Path

The S&P 500 has returned approximately 2% year-to-date, including dividends, though the journey has been far from smooth. After peaking on February 19, the index declined nearly 19% amid escalating trade tensions that sparked fears of a potential recession. However, sentiment has shifted recently, aided by improved trade rhetoric and solid economic data, fueling a 20% rally since the April 8 trough.

Smaller companies have also joined the rebound. The Russell Mid-Cap Index has surged 21% since early April and is now up 3% year-to-date with dividends. Meanwhile, the Russell 2000 gained 19.5% from its low but remained down about 5% in the year.

International equities have also delivered strong performance. The MSCI EAFE Index, tracking developed markets like Europe and Japan, has gained nearly 16% year-to-date, while the MSCI Emerging Markets Index, covering regions such as China and India, is up close to 10%.

The macroeconomic backdrop broadly supports equities despite the potential for renewed trade volatility.

### Wall Street YTD Returns:

Of the indices we follow, four have entered positive territory. Below are the latest returns:

- **Dow Jones:** 0.31%.
- **S&P 500:** 1.00%.
- **Nasdaq Composite:** -0.87%.
- **Birling Puerto Rico Stock Index:** 9.69%.
- **Birling U.S. Bank Index:** 7.84%.

### Corporate Earnings Parade:

- **The Home Depot, Inc. (HD):** reported first-quarter 2025 revenues of \$39.86 billion, up 9.4%, beating estimates, net income of \$3.433 billion, down 4.6%, and earnings per share of \$3.46, missing estimates. Home Depot has a stock price objective of \$418.70.
- Examine the report by clicking here: [HD Overview](#)

### Economic Update:

- **U.S. Retail Gas Price:** fell to \$3.249, down from \$3.273 last week, down -0.73%.
- **Canada Consumer Price Index YoY:** fell to 1.74%, compared to 2.32% last month.
- **Eurozone Consumer Confidence Indicator:** is at -16.70, down from -14.50 last month.
- **Eurozone Economic Sentiment Indicator:** is at 93.60, down from 95.00 last month.
- **Germany Producer Price Index YoY:** is at -0.90%, compared to -0.20% last month.

### Eurozone Summary:

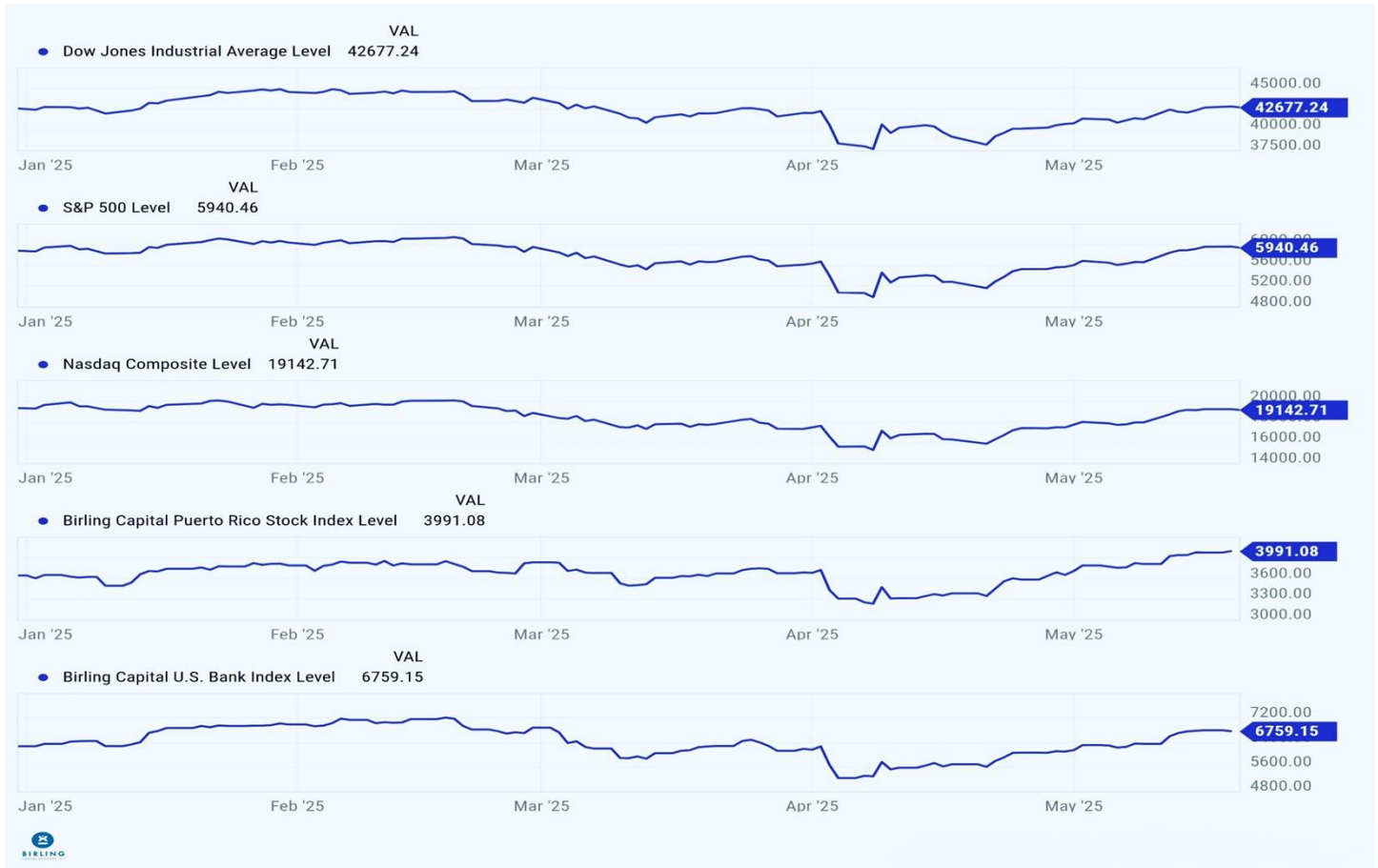
- **Stoxx 600:** Closed at 554.02, up 4.04 points or 0.73%.
- **FTSE 100:** Closed at 8,781.12, up 81.81 or 0.94%.
- **DAX Index:** Closed at 24,036.11, up 101.13 or 0.42%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,677.24, down 114.83 points or 0.27%.
- **S&P 500:** closed at 5,940.46, down 23.14 points or 0.39%.
- **Nasdaq Composite:** closed at 19,142.71, down 72.75 points or 0.38%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,991.08, up 19.42 points or 0.49%.
- **Birling Capital U.S. Bank Index:** closed at 6,759.15, down 28.95 points or 0.43%.
- **U.S. Treasury 10-year note:** closed at 4.48%.
- **U.S. Treasury 2-year note:** closed at 3.97%.

# US Retail Gas Price, Canada CPI, Eurozone Consumer Confidence, Eurozone Economic Sentiment & Germany PPI





Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.