

Markets Rebound as Trump Delays EU Tariffs; Focus Shifts to NVIDIA and Durable Goods New Orders Decline.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets began the week on a positive note after a weekend announcement that the implementation of a proposed 50% tariff on European Union imports will now be postponed to July 9 rather than the previously expected June 1. The delay is being viewed as a welcome reprieve for markets still sensitive to trade headlines.

Most sectors in the S&P 500 are in the green this morning, with growth-oriented areas such as technology and consumer discretionary leading the advance. Overseas, European markets are rallying in response to the tariff extension and an uptick in German consumer sentiment. Asian markets also closed mostly higher overnight, buoyed by the more constructive global tone.

On the data front, April's headline durable goods orders declined by 6.3%, a softer drop than the 8.1% economists had forecast. Stripping out transportation, orders rose by 0.2%, beating expectations for no change. In the bond market, yields are slipping, with the 10-year U.S. Treasury yield edging down to 4.43%, suggesting a risk-on sentiment among investors.

Trump Delays EU Tariff Decision, Markets Breathe Easier

The White House has decided to postpone the imposition of new tariffs on EU imports until July 9, allowing more time for negotiations. President Trump cited productive conversations with EU Commission President Ursula von der Leyen as the basis for the decision. Markets responded favorably, reversing Friday's losses when the S&P 500 fell 0.7%, and the Nasdaq slid 1% after initial reports of the tariff plan.

While this move may ease immediate trade tensions, uncertainty lingers. The 90-day pause tied to the April 2 tariff proposal is set to expire in early July, and volatility could return as that date nears. In this environment, we continue to advocate for staying invested through a diversified portfolio strategy that aligns with long-term objectives rather than reacting to short-term policy developments.

Earnings Season Nears Close; Focus Turns to NVIDIA

As first-quarter earnings season draws to a close, roughly 96% of S&P 500 companies have now reported results. This week, attention shifts to NVIDIA, which is set to release its report after the bell on Wednesday. So far, earnings have been strong, with S&P 500 EPS growth on track for 13.4% and 78% of companies exceeding analyst estimates—above the 10-year average of 75%.

Communication services and health care have been standouts, each delivering earnings growth of 30% or more. Although analysts have trimmed projections for the coming quarters, full-year S&P 500 earnings growth is still expected to reach 9% in 2025. We view this level of development as attainable given recent resilience in economic indicators and a cooling of peak trade anxiety. Moderate earnings momentum should provide continued support for equity valuations moving forward.

GDPNow:

- The GDPNow for the second quarter of 2025 was updated on May 27 to 2.20%, down from 2.40%, representing an 8.33% decrease.

Economic Update:

- **U.S. Durable Goods New Orders MoM:** fell by -6.30%, compared to 9.36% last month.
- **Case-Shiller Home Price Index:** National fell to 329.39, down from 330.38 last month.
- **Case-Shiller Composite 20 Home Price Index YoY:** fell to 4.07%, compared to 4.54% last month.
- **Eurozone Consumer Confidence Indicator:** is at -15.20, up from -16.60 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 94.80, up from 93.80 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 552.32, up 1.82 points or 0.33%.
- **FTSE 100:** Closed at 8,778.05, up 60.08 or 0.69%.
- **DAX Index:** Closed at 24,226.49, up 198.84 or 0.83%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,343.65, up 740.58 points or 1.78%.
- **S&P 500:** closed at 5,921.54, up 118.72 points or 2.05%.
- **Nasdaq Composite:** closed at 19,199.16, up 461.96 points or 2.47%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,857.47, down 6.98 points or 0.18%.
- **Birling Capital U.S. Bank Index:** closed at 6,542.44, down 16.72 points or 0.25%.
- **U.S. Treasury 10-year note:** closed at 4.43%.
- **U.S. Treasury 2-year note:** closed at 3.92%.

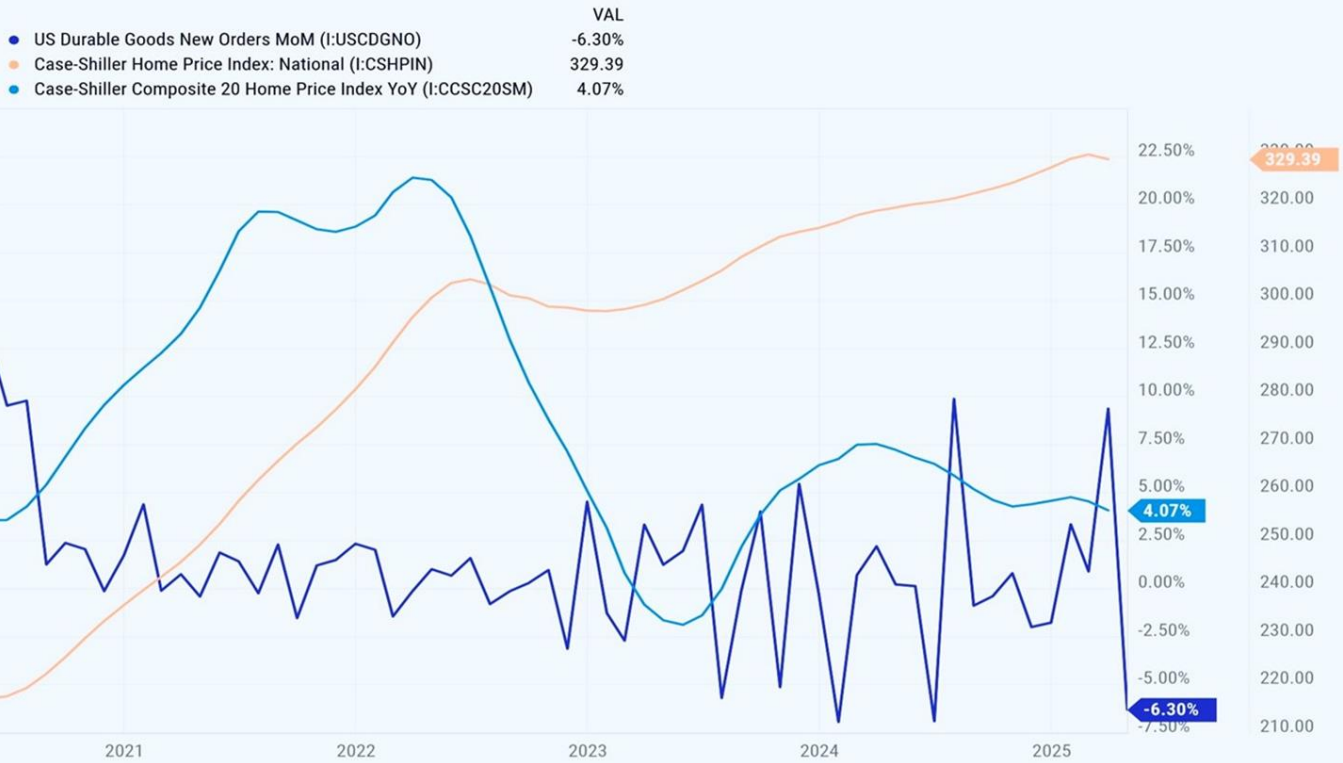


GDPNow

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%

U.S. Durable Goods New Orders, Case-Shiller Composite Home Price Index, & Case-Shiller Home Price Index National





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Wall Street Recap May 27, 2025



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