



# U.S. GDP Still in Red at -0.20%, But Nvidia and Trade Court Ruling on Tariffs Appease Markets.

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The U.S. and European stock markets closed with mixed results; as the markets opened, Wall Street was lifted by a favorable trade court decision and stronger-than-expected earnings from NVIDIA. Investors also digested a modest upward revision to first-quarter GDP and fresh labor market data that signal a slight cooling in job momentum.

## Judicial Check on Tariff Authority

The U.S. Court of International Trade ruled that President Trump exceeded his authority in imposing a set of tariffs rolled out in early April. Specifically, the court struck down the 10% global tariff and duties targeting Chinese fentanyl imports, citing an overreach under the International Emergency Economic Powers Act. However, tariffs on steel, aluminum, and autos—enacted under different trade laws—remain unaffected. The administration has announced plans to appeal and may seek an emergency stay, keeping trade policy in flux and geopolitical risk on investors' radar.

European markets closed lower amid cautious investor sentiment, and Asian equities closed broadly higher.

## NVIDIA Powers Ahead

NVIDIA reported first-quarter earnings that beat Wall Street projections on both revenue and profit. The upside was driven by unexpected strength in its gaming division, providing reassurance amid concerns over AI chip export controls. The stock is trading sharply higher in early action, contributing to broad market gains in the tech sector.

## GDP Revised, But Still Negative

The Commerce Department revised U.S. real GDP for Q1 to a -0.2% contraction, an improvement from the initial -0.3% estimate. The revision was fueled by stronger business investment, although the headline figure remained in negative territory due to rising imports—which subtracted from GDP and reduced government spending. Despite the mild upgrade, the data reflects ongoing economic friction as fiscal and trade policies remain uncertain.

## Labor Market Shows Hints of Softening

Initial jobless claims rose to 240,000, marking a third straight weekly increase and exceeding the consensus forecast of 226,000. Continued claims also nudged higher to 1.92 million. While not yet signaling significant deterioration, the trend points to a gradual easing in labor market strength. Nevertheless, with 7.2 million job openings and unemployment still at 4.2%, the employment backdrop remains broadly stable. Wage growth continues to outpace inflation, supporting real incomes and consumer resilience.

### Economic Update:

- **U.S. Real GDP QoQ:** fell to -0.20%, compared to 2.40% last quarter.
- **U.S. Initial Claims for Unemployment Insurance:** rose to 240,000, up from 226,000 last week, increasing 6.19%.
- **U.S. Total Vehicle Sales:** fell to 17.78 million, down from 18.28 million last month, decreasing -2.75%.
- **U.S. Pending Home Sales YoY:** fell by -2.46%, compared to -1.17% last month.
- **30-Year Mortgage Rate:** rose to 6.86%, compared to 6.81% last week.
- **Japan Industrial Production Index MoM:** fell to 0.20%, compared to 2.30% last month.

### Eurozone Summary:

- **Stoxx 600:** Closed at 547.88, down 1.05 points or 0.19%.
- **FTSE 100:** Closed at 8,716.45, down 9.56 or 0.11%.
- **DAX Index:** Closed at 29,933.23, down 104.96 or 0.44%.

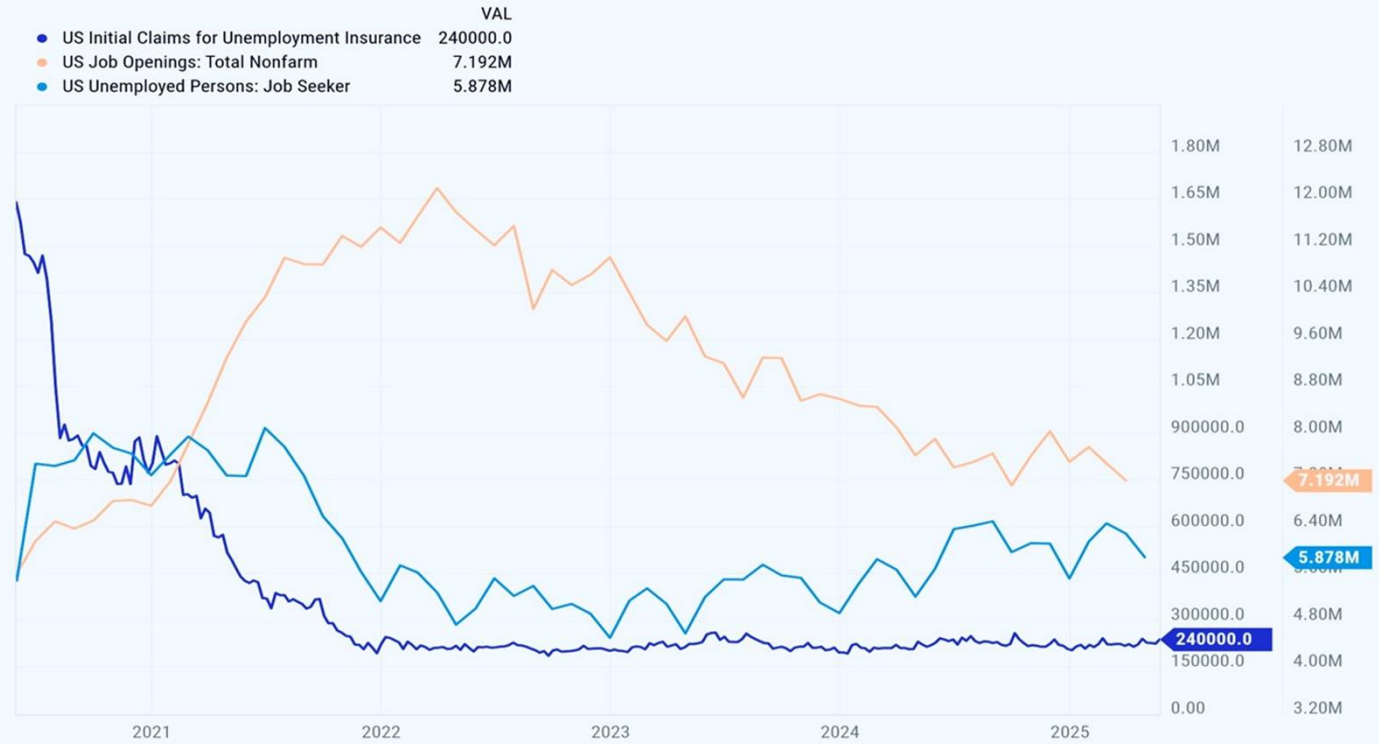
### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,215.73, up 117.03 points or 0.28%.
- **S&P 500:** closed at 5,912.17, up 23.62 points or 0.40%.
- **Nasdaq Composite:** closed at 19,175.87, up 79.94 points or 0.39%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,855.87, down 68.14 points or 1.74%.
- **Birling Capital U.S. Bank Index:** closed at 6,648.88, down 50.54 points or 0.75%.
- **U.S. Treasury 10-year note:** closed at 4.43%.
- **U.S. Treasury 2-year note:** closed at 3.92%.

## US Real GDP QoQ, US Total Vehicle Sales, US Pending Home Sales & 30-Year Mortgage Rate



# US Initial Claims for Unemployment, US Job Openings & US Job Seekers

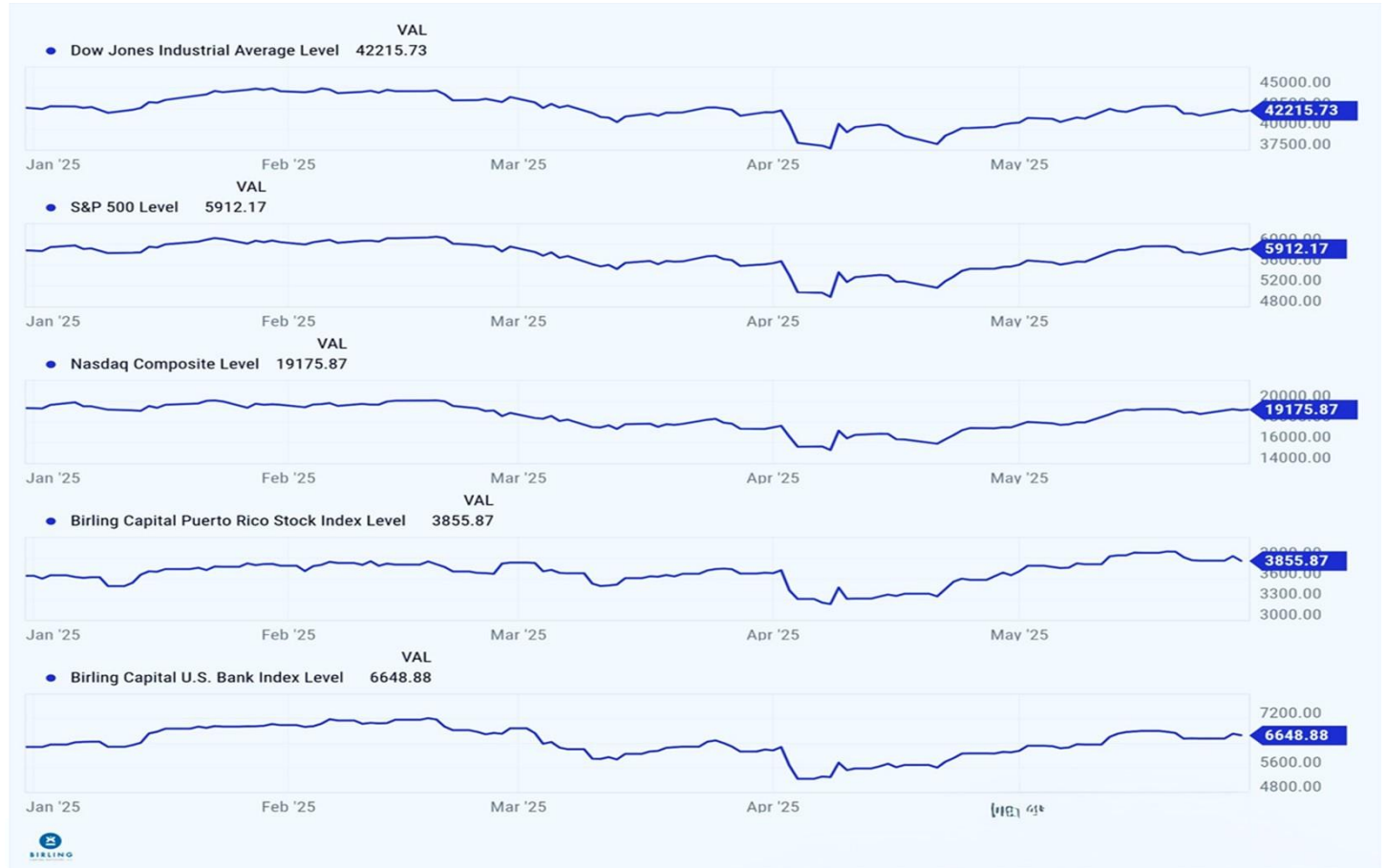


Date Range: 05/30/2020 - 05/24/2025

Sources: DoL, BLS



## Wall Street Recap May 29, 2025



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