



Dow Closes Above 48,000 for the First Time as Shutdown Resolution Looms and Europe Extends Gains.

November 12, 2025

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The U.S. and European stock markets ended Wednesday's session mostly higher. Still, the spotlight was firmly on the **Dow Jones Industrial Average**, which closed **above 48,000 for the first time in history**. The 30-stock blue-chip index gained **326.86 points, or 0.68%**, to finish at **48,254.82**, marking a **record close**.

The **S&P 500** hovered near the flatline, inching up **0.06%** to **6,850.92**, while the **Nasdaq Composite** slipped **0.26%** to end at **23,406.46**, as investors rotated out of high-growth technology names and into cyclical and value sectors.

The market's tone reflected growing confidence that Washington is nearing an end to the **record 42-day government shutdown**. On Monday evening, the Senate passed a bipartisan spending bill that would extend federal funding through **January 30, 2026**, and the House of Representatives is expected to vote as soon as tonight.

House Majority Leader Steve Scalise (R-La.) confirmed that the vote is expected around **7:00 p.m. ET**, following Monday night's Senate approval. If passed, the bill would officially end the longest shutdown in U.S. history and restore full government operations by the end of the week. Sector participation is broad in early trading, with both technology and healthcare stocks advancing. The Nasdaq Composite is leading in gains, while the Dow Jones Industrial Average and S&P 500 are also firmly in positive territory. Overseas, Asian markets closed higher overnight, supported by stronger consumer spending in China. U.S. Treasury yields eased slightly, with the 10-year note hovering near 4.07% as investors balanced optimism with caution.

European Stocks Continue Upward Momentum

European equities extended their rally on Wednesday, fueled by hopes that the U.S. government shutdown is nearing its conclusion. The pan-European **Stoxx 600** Index rose **0.6%**, marking its third straight day of gains, with most major sectors and bourses in positive territory.

In regional markets, **Germany's DAX** climbed **1.1%**, **France's CAC 40** advanced **0.9%**, and **Italy's FTSE MIB** also rose **0.9%**, reaching its highest closing level since 2001 after surpassing its 2007 peak on Tuesday. The **U.K.'s FTSE 100**, which has been hovering near record highs in recent sessions, was modestly lower by **0.1%** at mid-morning in London, giving up early gains.

The energy sector saw notable movement: **SSE** surged **10.4%** after launching a **£2 billion (\$2.6 billion)** equity raise to fund a **£33 billion** five-year investment plan to upgrade the U.K. electricity network. Despite reporting an adjusted operating profit of **£655 million**—below analysts' **£684 million** forecast—the company's strategic expansion plans lifted investor confidence.

Elsewhere, **RWE**, Germany's largest power producer, rose **2.9%** after reporting **€2.71 billion** in pre-tax income and an adjusted EBITDA of **€3.48 billion** for the first nine months of the year, beating expectations of **€3.14 billion**. **Infineon Technologies** jumped **6.5%** after the German chipmaker

posted annual revenue of **€14.6 billion**, down 2% year-over-year but in line with market forecasts, signaling resilience in Europe's semiconductor sector.

Shutdown Nears Resolution After 42 Days

The Senate passed the spending bill late Monday, and the measure now moves to the House, where a vote could come as early as today. If approved, it would mark the end of the most extended government shutdown in U.S. history — now at 42 days — which has delayed key economic reports and slowed federal spending.

According to the Congressional Budget Office, a six-week shutdown trims about 1.5 percentage points from fourth-quarter GDP growth on an annualized basis. However, these losses are expected to rebound in early 2026, suggesting a displacement rather than a destruction of economic activity. Once operations resume, agencies such as the Bureau of Labor Statistics and the Bureau of Economic Analysis will resume data releases suspended from September, restoring much-needed visibility into the economy's trajectory.

While normalization will take time, an end to the shutdown should ease temporary disruptions in government services, restore confidence, and refocus markets on fundamentals rather than political gridlock.

Low Confidence, High Returns: The Sentiment Paradox

Despite recent market strength, consumers remain deeply pessimistic. The University of Michigan's Consumer Sentiment Index fell to 50.3 last Friday — the second-lowest reading on record. Elevated inflation, high borrowing costs, and political uncertainty have weighed heavily on public perception. Yet history shows that markets often thrive when sentiment is weakest. In six prior episodes of depressed confidence — 1980, 2008, 2009, 2011, 2022, and 2023 — the S&P 500 advanced an average of 15% in the following six months and 25% over the next year.

The message is clear: markets look forward, not backward. While consumer pessimism may dominate headlines, investors are betting that a resolution in Washington, resilient spending, and easing inflation will set the stage for renewed growth as the year closes.

Economic Data:

- **US Retail Gas Price:** fell to 3.151, down from 3.164 last week.
- **Germany Consumer Price Index MoM:** rose to 0.30%, compared to 0.10% last month.
- **Germany Consumer Price Index YoY:** fell to 2.30%, compared to 2.40% last month.
- **Germany Harmonised Consumer Price Index MoM:** rose to -7.52%, compared to 0.10% last month.
- **Germany Harmonised Consumer Price Index YoY:** fell to 2.30%, compared to 2.40% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 584.23, up 4.10 points or 0.71%.
- **FTSE 100:** Closed at 9,911.42, up 11.82 points or 0.12%.
- **DAX Index:** Closed at 24,381.46, up 293.40 points or 1.22%.

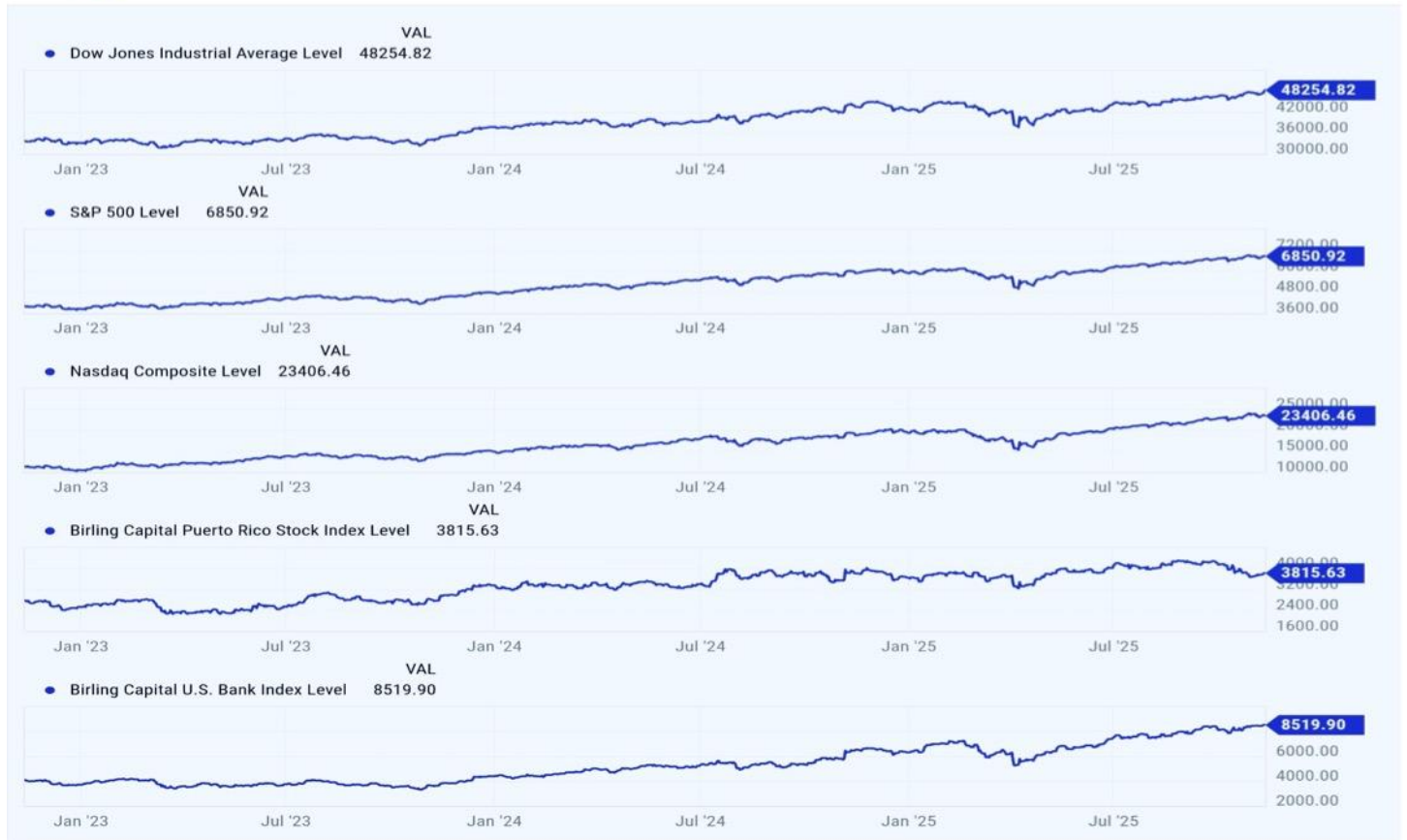
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 48,254.82, up 326.86 points or 0.68%.
- **S&P 500:** closed at 6,850.92, up 4.31 points or 0.06%.
- **Nasdaq Composite:** closed at 23,406.45, down 61.84 points or 0.26%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,815.63, up 43.99 points or 1.17%.
- **Birling Capital U.S. Bank Index:** closed at 8,519.90, up 26.84 points or 0.32%.

- U.S. Treasury 10-year note: closed at 4.08%.
- U.S. Treasury 2-year note: closed at 3.56%.

US Retail Gas Price & Germany Consumer Price Index YoY





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