Wall Street and Europe Turn Lower; Markets Enter Holding Pattern Before NVIDIA Results and the GDPNow rise to 4.1%.

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The U.S. and European equity markets closed Tuesday with deeper losses, with the pullback once again concentrated in technology and consumer discretionary shares.
The **Dow Jones Industrial Average** fell **498.50 points**, while the **S&P 500** slid **55.09 points, and t**he tech-heavy **Nasdaq Composite** led the decline, dropping **275.23 points**.
Puerto Rico equities also faced notable headwinds. The **Birling Capital Puerto Rico Stock Index** retreated **135.45 points,** marking one of its weakest sessions in recent weeks. Financials were similarly pressured, with the **Birling Capital U.S. Bank Index** losing **165.55 points**.

In fixed income, U.S. Treasury yields moved modestly lower. The **10-year note** ended at **4.12%**, while the **2-year notes settled** at **3.58%**, reflecting a slight flattening of the curve as investors rotated toward safety.

Asian markets finished broadly lower, led by declines in Japan's Nikkei, while the **U.S. dollar slipped** against major global currencies. In commodities, **WTI crude traded softer**, extending last week's downward drift.

In digital assets, **bitcoin has erased its year-to-date gains**, now more than **25% below** its October high near $125,000 as over-leveraged positions continue to unwind.

NVIDIA Earnings in Focus – A Defining Moment for the AI Trade

All eyes turn to **NVIDIA**, which will report third-quarter earnings after the close on Wednesday. Consensus estimates call for **$1.25 EPS**, a **56% year-over-year** surge, on **$54.9 billion** in revenue — numbers that, if met or exceeded, will shape the next leg of the AI investment cycle.
This earnings season has delivered a strong showing: **93%** of S&P 500 companies have reported, **82%** have beaten estimates, and the average **upside surprise** is 7.1%.
Q3 earnings growth expectations have risen to **13.1%**, up from **7.3%** at the start of the season. Growth remains **broad-based**, with **nine of 11 sectors** tracking year-over-year gains — led by **technology**, followed by **financials** and **utilities**.
This expanding earnings breadth supports a more **balanced market environment** and reinforces the case for **diversification** as leadership widens beyond mega-cap technology.

Labor Market: Jobless Claims Rise Slightly but Remain Healthy

Initial jobless claims increased to **232,000** for the week ending October 18, remaining just below the four-week moving average of **237,000**. Continuing claims ticked higher to **1.96 million**, up from **1.92 million** in September.
The broader picture shows a labor market that is **cooling gradually**, not weakening sharply. The unemployment rate stands at **4.3%**, and job openings at **7.2 million** remain close to the **7.4 million** unemployed.
With wage growth still running **above inflation**, we expect real incomes to continue supporting consumer spending into year-end.

European Stocks Slide to One-Month Low Amid AI Valuation Concerns

European equities closed sharply lower on Tuesday as renewed skepticism over AI-linked valuations rippled through global markets. The **Stoxx 600** ended the session down **1.8%**, its lowest level in a month, with losses across **all major sectors and regional markets**.

The move followed Monday's sell-off in U.S. technology shares, which dragged the three major Wall Street indices into negative territory. That weakness extended into Tuesday's New York session, keeping global sentiment under pressure.

Among notable movers:

- **Intermediate Capital Group** rose **4.4%** after French asset manager **Amundi** disclosed a nearly **10% stake**.
- Amundi's own shares slipped **3.6%**.
- **Akzo Nobel** fell **2.9%** after announcing a merger with U.S.-based **Axalta Coating Systems.**

GDPNow Update:

- The GDPNow for the third quarter was updated today, rising to **4.10%**, up from 4.00% to a 2.50% increase.

Economic Data:

- **U.S. Retail Gas Price:** rose to $3.186, up from $3.151 last week, an increase of 1.11%.
- **NY Fed Business Leaders Survey Current Business Activity:** is at -21.70, up from -23.60 last month.
- **NAHB/Wells Fargo US Housing Market Index:** rose to 37.00, up from 32.00 last month, an increase of 15.62%.
- **Japan Machinery Orders YoY:** rose to 3.18%, compared to 2.63% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 561.62, down 10.66 points or 1.76%.
- **FTSE 100:** Closed at 9,552.30, down 123.17 or 1.27%.
- **DAX Index:** Closed at 23,173.05, down 417.47 points or 1.77%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,091.79, down 498.50 points or 1.07%.
- **S&P 500:** closed at 6,617.32, down 55.09 points or 0.83%.
- **Nasdaq Composite:** closed at 22,432.85, down 275.23 points or 1.21%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,676.34, down 135.45 points or 3.55%.
- **Birling Capital U.S. Bank Index:** closed at 8,191.02, down 165.55 points or 1.98%.
- **U.S. Treasury 10-year note:** closed at 4.12%.
- **U.S. Treasury 2-year note:** closed at 3.58%.

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GDPNow 3Q25

Date	GDPNow 3Q25	Change
7/31/25	2.30%	Initial Forecast
8/1/25	2.10%	-8.70%
8/5/25	2.50%	19.05%
8/7/25	2.50%	19.05%
8/15/25	2.50%	0.00%
8/19/25	2.30%	-8.00%
8/26/25	2.20%	-4.35%
8/29/25	3.50%	59.09%
9/2/25	3.00%	-14.29%
9/4/25	3.00%	0.00%
9/10/25	3.10%	3.33%
9/16/25	3.40%	9.68%
9/17/25	3.30%	-2.94%
9/26/25	3.90%	18.18%
10/1/25	3.80%	-2.56%
10/7/25	3.80%	0.00%
10/17/25	3.90%	2.63%
10/27/25	3.90%	0.00%
11/3/25	4.00%	2.56%
11/6/25	4.00%	0.00%
11/17/25	4.10%	2.50%

US Retail Gas Price; NY Fed Business Leaders Survey Current Business Activity; NAHB/Wells Fargo US Housing Market Index & Japan Machinery Orders YoY