



Earnings Reset the Tone as Global Markets Stabilize Ahead of NVIDIA's Test.

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The **U.S. and European stock markets closed mixed** as markets shifted their full attention to a wave of corporate earnings. The **Dow Jones rose 0.10%, the S&P 500 rose 0.38% and the Nasdaq Rose 131.38** points. Let's see how it behaves after NVIDIA's results are released. Big-box retailers Target, Lowe's, and TJX Companies all delivered earnings above expectations, though sales trends and forward guidance painted a mixed picture.

The day's defining moment will come after the close, when NVIDIA—now the world's largest publicly traded company—reports results. This release could set the tone for the remainder of November.

Asian equities finished lower overnight. U.S. Treasury yields continued to drift lower, with the 10-year yield closing at 4.xx%, giving risk assets some breathing room.

European Markets Stabilize as Tech-Sector Sell-Off Eases Ahead of NVIDIA's Results

European equities regained some of their footing on Wednesday, but was unable to break the four-day slide as investor anxiety surrounding the global tech downturn began to ease. The Stoxx 600 reversed earlier weakness to close 0.03% down, a modest but meaningful shift after several sessions dominated by selling pressure. Most major regional indices also finished in positive territory. This week's volatility has been driven by renewed concerns over AI-linked technology valuations, which have weighed heavily on global sentiment. But Wednesday's action signaled that the worst of the recent pullback may be losing momentum.

Across the Atlantic, U.S. markets also staged a rebound. The S&P 500 snapped a four-day losing streak as investors repositioned ahead of one of the most consequential catalysts of the quarter: NVIDIA's earnings report, expected after the U.S. market close. With NVIDIA now the world's most valuable company, its results will serve as a decisive barometer for the durability of the AI investment cycle.

Earnings Drive the Narrative – NVIDIA in the Spotlight

Retailers dominated the early flow:

- Target posted better-than-expected earnings but missed sales and reduced full-year profit guidance.
- Lowe's delivered earnings ahead of expectations but set full-year guidance at the low end of its range.
- TJX Companies beat both sales and earnings estimates and raised their outlook, noting that fourth-quarter trends are off to a strong start.

But all roads lead to NVIDIA this afternoon. Analysts expect \$1.26 in EPS, which would represent more than 50% year-over-year growth—numbers that continue to test the limits of AI-related optimism. Technology stocks have faced renewed pressure in November, with the Nasdaq Composite down 5% month-to-date.

In our view, the recent rotation reflects valuation fatigue and elevated expectations rather than a deterioration in fundamentals. It also underscores the importance of sector balance. Our U.S. equity sector guidance favors overweight positions in healthcare, industrials, and consumer discretionary, while maintaining underweight allocations in utilities and consumer staples, and holding neutral positions across the remaining sectors.

Delayed U.S. Jobs Data Set to Re-Enter the Picture

With the federal government reopened, the backlog of labor data begins to clear. The September nonfarm payrolls report is scheduled to arrive tomorrow, with economists expecting a 50,000 job gain and the unemployment rate to remain at 4.3%.

The October report still lacks a release date and will exclude the household survey, meaning no official unemployment rate will be available, due to shutdown-related data collection disruptions. In the meantime, markets have leaned on private alternatives. The ADP report showed that 42,000 private-sector jobs were added in October, an improvement over recent months but still far below the 2024 average of 144,000. NFIB data show that 32% of small businesses have open positions, down from above 50% in 2022 but consistent with pre-pandemic norms.

Taken together, these figures indicate a labor market that has cooled off from its post-pandemic extremes but remains stable and supportive. Initial jobless claims at 232,000 continue to signal limited layoff activity.

Overall, we expect the labor backdrop to stay constructive, providing a foundation for steady—if moderate—economic activity heading into year-end.

Economic Data:

- **US Crude Oil Stocks WoW:** rose to -3.426M, down from 6.413M last week.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** is unchanged at 2.40%, compared to 2.40% last month.
- **Eurozone Monthly Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** rose to 0.30%, compared to 0.10% last month.
- **China Loan Prime Rate:** is unchanged 3.00%, compared to 3.00% last month.

Eurozone Summary:

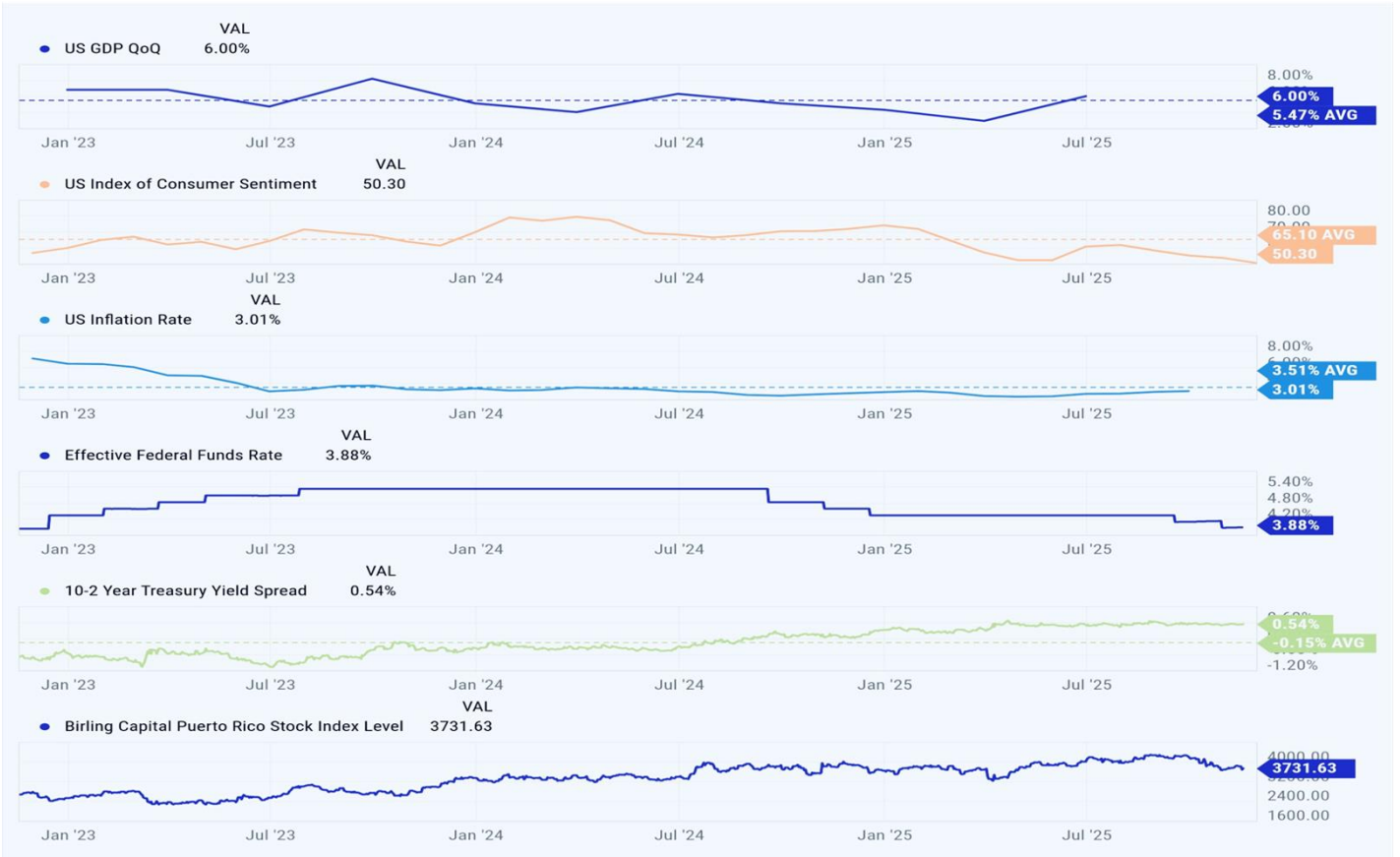
- **Stoxx 600:** Closed at 561.71, down 0.15 points or 0.027%.
- **FTSE 100:** Closed at 9,507.41, down 44.89 or 0.47%.
- **DAX Index:** Closed at 23,162.92, down 17.61 points or 0.076%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,590.24, down 557.24 points or 0.92%.
- **S&P 500:** closed at 6,672.41, down 61.70 points or 0.92%.
- **Nasdaq Composite:** closed at 22,708.07, down 192.51 points or 0.84%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,731.63, up 55.28 points or 1.50%.
- **Birling Capital U.S. Bank Index:** closed at 8,204.44, up 13.42 points or 0.16%.
- **U.S. Treasury 10-year note:** closed at 4.13%.
- **U.S. Treasury 2-year note:** closed at 3.60%.



The Economic Cycle: US GDP, US Index of Consumer Sentiment, US Inflation Rate, Effective Federal Funds Rate & Birling PR Stock Index



Dow Jones, S&P 500, Nasdaq, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns 11/18/25

● Dow Jones Industrial Average Level % Change	VAL
● S&P 500 Level % Change	7.99%
● Nasdaq Composite Level % Change	12.44%
● Birling Capital Puerto Rico Stock Index Level % Change	16.29%
● Birling Capital U.S. Bank Index Level % Change	2.56%
	30.25%

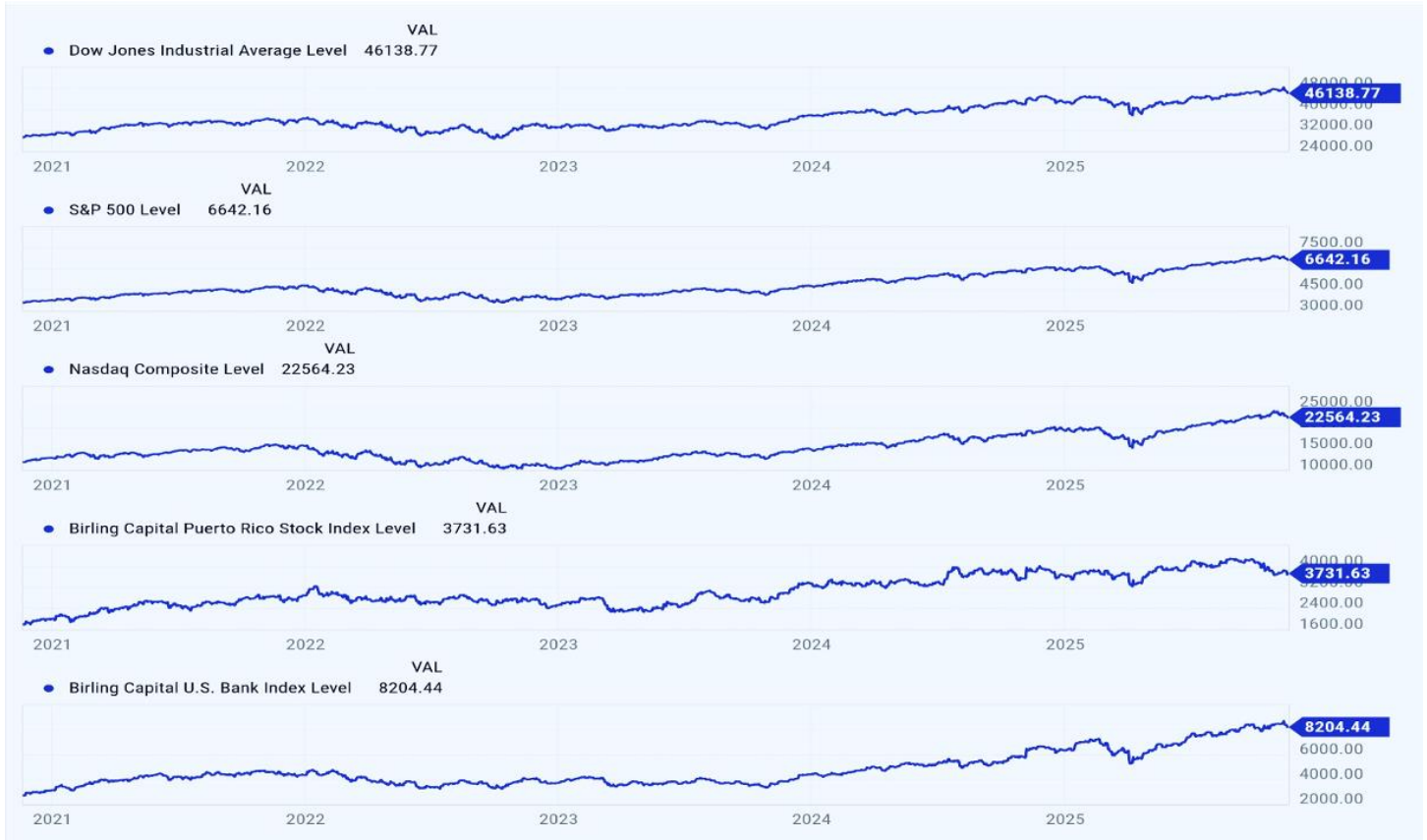




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