

The GDPNow for the 3Q25 Rises to 4% GDP, Markets Hold Steady After a Modest ADP Jobs Surprise.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The US and European Stock markets closed with gains on Wednesday as investors digested a modestly stronger-than-expected U.S. labor market report and shifting global policy headlines.

The ADP employment survey for October showed private payrolls expanding by 42,000, slightly surpassing the forecast of 35,000 and ending two months of declines. The result provided a mild lift to sentiment but was not strong enough to alter expectations for a gradual slowdown in hiring.

In Europe, major bourses posted mixed performances after better-than-expected PMI readings signaled resilience in the eurozone and U.K. service sectors. Asian markets, meanwhile, mainly finished lower after Chinese authorities announced that all newly funded data centers must utilize domestically produced AI chips, underscoring Beijing's tightening grip on technology supply chains.

In fixed-income markets, Treasury yields edged higher following the data, with the 10-year yield closing at 4.17% and the 2-year yield at 3.63%, as investors reassessed the near-term policy outlook.

Labor Market Shows Signs of Stabilization

With Friday's Bureau of Labor Statistics (BLS) report likely postponed by the government shutdown, investors turned to private-sector indicators for direction.

The ADP report's 42,000-job increase marks a tentative rebound after months of softness, though gains were concentrated among large firms, while small- and mid-sized businesses posted mild contractions.

So far in 2025, private payrolls have grown by an average of 60,000 per month, well below last year's 144,000 monthly paces. However, with labor-force expansion slowing, partly due to stricter immigration policies, even modest hiring appears sufficient to maintain employment stability.

At Birling Capital, we interpret the data as evidence that the labor market is cooling, not collapsing—a necessary recalibration after several years of overheated growth.

Equities Enter Seasonally Strong Window

Despite a volatile first half, U.S. equities have advanced roughly 15% year-to-date in 2025, supported by resilient corporate earnings, easing inflation, and improving investor confidence.

While fundamentals—not calendar trends—ultimately drive returns, history suggests the final stretch of the year often rewards equity investors. Since 1950, the S&P 500 has gained an average of 1.9% in November (positive 69% of the time) and 1.4% in December (positive 73% of the time).

Although past performance offers no guarantees, we believe the current macro backdrop—steady profits, manageable inflation, and supportive monetary conditions—continues to favor risk assets.

As part of our opportunistic asset allocation strategy, we recommend maintaining a modest overweight in equities relative to fixed income, while remaining selective across sectors poised to benefit from productivity- and technology-driven growth.

GDPNow Update:

- The GDPNow for the Third Quarter of 2025 was released today, rising to **4.00%**, up from 3.90% a 2.56% increase.

Economic Data:

- **ADP Employment Change:** rose to 42,000, up from -29,000 last month.
- **ADP Median Pay YoY:** is unchanged at 4.50%, compared to 4.50% last month.
- **U.S. ISM Services PMI:** rose to 52.40, up from 50.00 last month, increasing 4.80%.
- **U.S. ISM Services Employment Index:** rose to 48.20, up from 47.20 last month.
- **U.S. ISM Services New Orders Index:** rose to 56.20, up from 50.40 last month.
- **U.S. ISM Services Prices Paid Index:** rose to 70.00, up from 69.40 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 571.90, up 1.32 points or 0.23%.
- **FTSE 100:** Closed at 9,777.08, up 62.12 points or 0.64%.
- **DAX Index:** Closed at 24,049.74, up 100.63 points or 0.42%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 47,311.00, up 225.76 points or 0.48%.
- **S&P 500:** closed at 6,796.29, up 24.74 points or 0.37%.
- **Nasdaq Composite:** closed at 23,499.80, up 151.16 points or 0.65%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,815.79, down 193.83 points or 4.83%.
- **Birling Capital U.S. Bank Index:** closed at 8,088.52, down 209.73 points or 2.53%.
- **U.S. Treasury 10-year note:** closed at 4.17%.
- **U.S. Treasury 2-year note:** closed at 3.63%.

Third Quarter 2025

Date	GDPNow 3Q25	Change
7/31/2025	2.30%	Initial Forecast
8/1/2025	2.10%	-8.70%
8/5/2025	2.50%	19.05%
8/7/2025	2.50%	19.05%
8/15/2025	2.50%	0.00%
8/19/2025	2.30%	-8.00%
8/26/2025	2.20%	-4.35%
8/29/2025	3.50%	59.09%
9/2/2025	3.00%	-14.29%
9/4/2025	3.00%	0.00%
9/10/2025	3.10%	3.33%
9/16/2025	3.40%	9.68%
9/17/2025	3.30%	-2.94%
9/26/2025	3.90%	18.18%
10/1/2025	3.80%	-2.56%
10/7/2025	3.80%	0.00%
10/17/2025	3.90%	2.63%
10/27/2025	3.90%	0.00%
11/3/2025	4.00%	2.56%

ADP Employment Change & ADP Median Pay YoY



US ISM Services PMI; US ISM Services New Orders Index; US ISM Services Employment Index & US ISM Services Prices Paid Index



	VAL
● US ISM Services PMI	52.40
● US ISM Services New Orders Index	56.20
● US ISM Services Employment Index	48.20
● US ISM Services Prices Paid Index	70.00

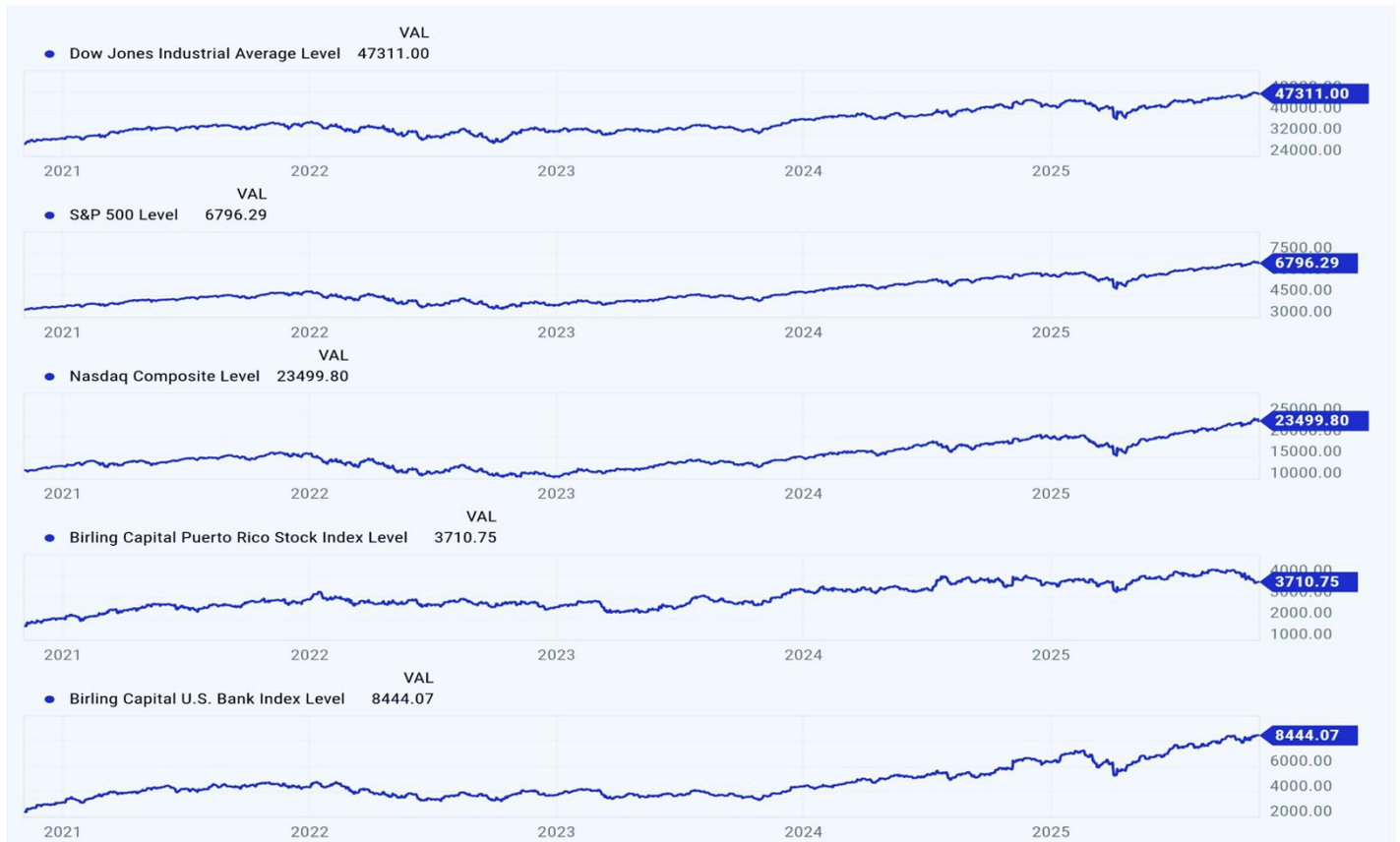




Wall Street Recap

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