



Wall Street Ends Higher as Amazon Sparks Tech Rally and Inflation Cools in Europe.

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The U.S. and European stock markets ended the week with **diverging trajectories** on Friday, as **Wall Street advanced** on robust technology earnings while European equities slipped amid moderating inflation and cautious sentiment.

In New York, **U.S. stocks finished higher**, powered by a surge in technology shares following Amazon's strong results. The **Nasdaq Composite** gained **0.61%**, the **S&P 500** advanced **0.26%**, and the **Dow Jones Industrial Average** rose **0.09%**, marking a steady close to the month.

Amazon shares jumped more than **10%** after the e-commerce and cloud giant reported that **Amazon Web Services (AWS)** revenue grew **20%** in the third quarter, surpassing Wall Street estimates and signaling renewed enterprise demand for AI and data infrastructure. CEO **Andy Jassy** noted that AWS is *"growing at a pace we haven't seen since 2022,"* citing strong momentum in artificial intelligence and core computing services.

The upbeat tone extended across the technology sector, while **Apple** reinforced confidence with its steady guidance on iPhone demand heading into the fourth quarter. With nearly two-thirds of S&P 500 companies now having reported, **third-quarter earnings growth stands near 10% year-over-year**, comfortably exceeding the 7% forecast from earlier in the reporting season — underscoring the resilience of U.S. corporate profitability.

Meanwhile, **Treasury yields held firm**, with the **10-year note closing at 4.11%** and the **2-year at 3.60%**, reflecting modest uncertainty surrounding the **Federal Reserve's** next policy decision. Birling Capital maintains its outlook that the Fed will **gradually lower rates toward 3.50% in 2026**, setting the stage for a more balanced growth trajectory across equity and credit markets.

European Markets Retreat as Inflation Cools

Across the Atlantic, European markets ended Friday lower, as investors digested mixed earnings reports and an expected moderation in euro-zone inflation. **The Stoxx 600 closed down 2.96 points; the FTSE 100 finished down 42.81 points, and Germany's DAX Index ended with a decline of 164.44 points.**

Preliminary data from **Eurostat indicated that headline inflation eased to 2.1% in October**, down from 2.2% in September, nearing the European Central Bank's 2% target. Services posted the highest inflation rate at 3.4%, while energy prices contracted 1%. Among member states, Estonia recorded the steepest increase at 4.5%, whereas Cyprus saw inflation of just 0.3%.

Eurostat's flash estimates also showed that the euro-zone economy expanded 0.2% in the third quarter, slightly above consensus forecasts of 0.1%, suggesting a modest but ongoing recovery despite elevated financing costs. Meanwhile, the European Central Bank left its deposit facility rate unchanged at 2% for a third consecutive meeting, following its initial cut in June — signaling patience as inflation trends closer to target.

Earnings Leadership and Market Breadth

Corporate America continues to exceed expectations, with the **technology and AI sectors accounting for over half of all earnings growth** this quarter. These industries remain the primary drivers of profit expansion as cloud computing, semiconductor demand, and software margins continue to

outperform.

Looking ahead to **2026**, however, earnings leadership is expected to broaden beyond technology. Sectors such as **financials, health care, and industrials** are poised to participate in the next leg of profit expansion, supported by lower interest rates and cyclical recovery. While valuation expansion in tech may have priced in part of its growth story, non-tech sectors stand ready to **play catch-up** as monetary policy normalizes and capital rotates across the market.

Three Years into the Bull Market

This month marks the **third anniversary of the current bull market** that began in October 2022. Since then, the **S&P 500 has surged 90% or 98% including dividends**—an extraordinary climb, though far from unprecedented. Historical data over the past eight decades shows that prior bull markets have averaged **200% in total returns** and lasted roughly **five years**.

Eight of those markets reached the three-year milestone, and the longest—spanning **2009 to 2020**—lasted 11 years. By comparison, today's rally sits squarely in mid-cycle territory. As the saying goes, *bull markets don't die of old age; they end from recessions or Federal Reserve tightening*.

At Birling Capital, we see **neither condition on the horizon for 2026**. With inflation moderating, rates expected to ease, and earnings growth broadening, this bull market remains supported by sound fundamentals rather than speculative excess.

Corporate Earnings Parade:

- **AbbVie, Inc. (ABBV)** reported 3Q25 revenues of \$15,776 billion, up 9.1%, net income of \$188 million, down 87.97% and adjusted earnings per share of \$1.86, topping estimates. Net earnings fell due to a negative \$1.50 per-share tax charge. AbbVie has a stock price objective of \$237.48. View Our Report: [ABBV Overview](#)

Economic Data:

- **U.S. Employment Cost Index QoQ:** is unchanged at 0.90%, compared to 0.90% last quarter.
- **U.S. Personal Income MoM:** fell to 0.37%, compared to 0.40% last month.
- **U.S. Personal Spending MoM:** rose to 0.62%, compared to 0.55% last month.
- **Germany Real Retail Sales YoY:** rose to 2.80%, compared to -1.60% last month.
- **Japan Housing Starts YoY:** is at -7.27%, compared to -9.80% last month.
- **Japan Unemployment Rate:** is unchanged at 2.60%, compared to 2.60% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 571.87, down 2.96 points or 0.51%.
- **FTSE 100:** Closed at 9,717.25, down 42.81 points or 0.44%.
- **DAX Index:** Closed at 23,954.45, down 164.44 points or 0.68%

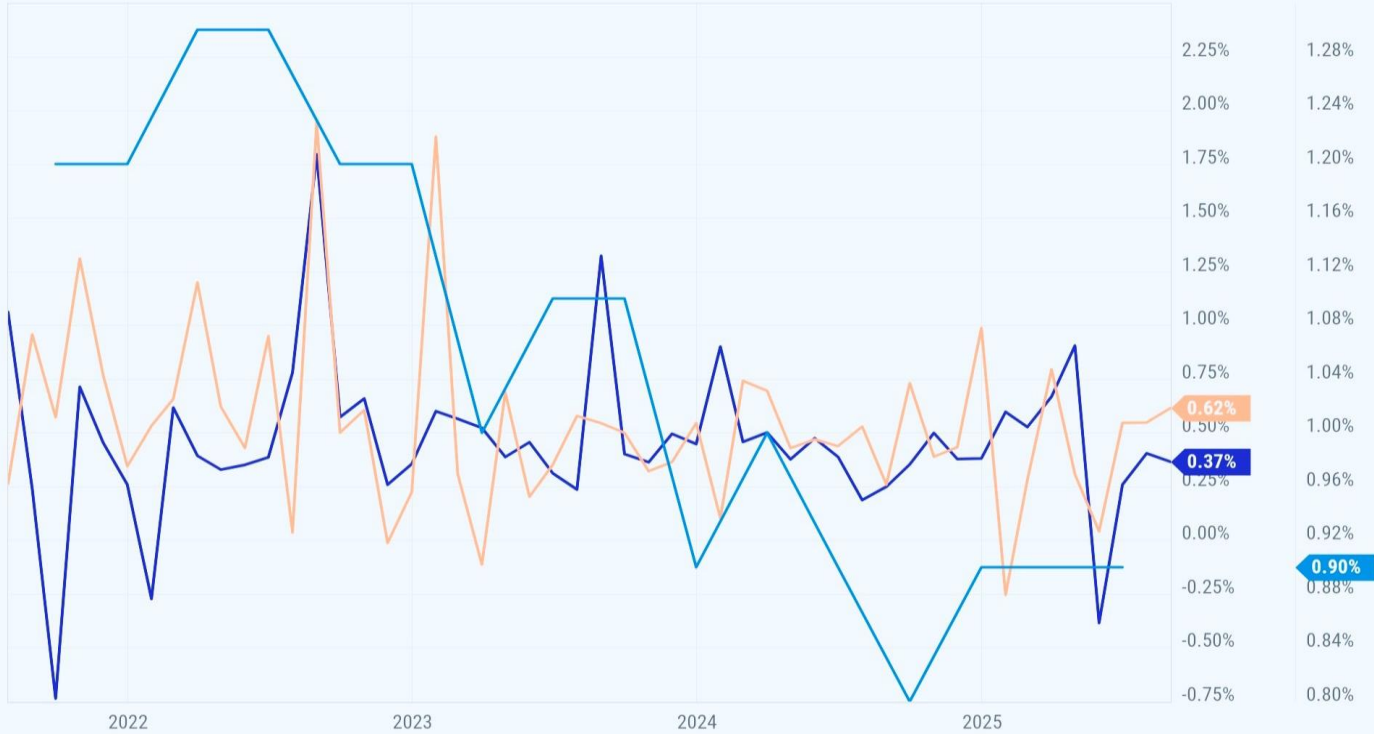
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 47,562.87, up 40.75 points or 0.09%.
- **S&P 500:** closed at 6,840.20, up 17.86 points or 0.26%.
- **Nasdaq Composite:** closed at 23,724.96, up 143.81 points or 0.61%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,653.58, down 12.30 points or 0.34%.
- **Birling Capital U.S. Bank Index:** closed at 8,394.61, up 67.35 points or 0.81%.
- **U.S. Treasury 10-year note:** closed at 4.11%.
- **U.S. Treasury 2-year note:** closed at 3.60%.

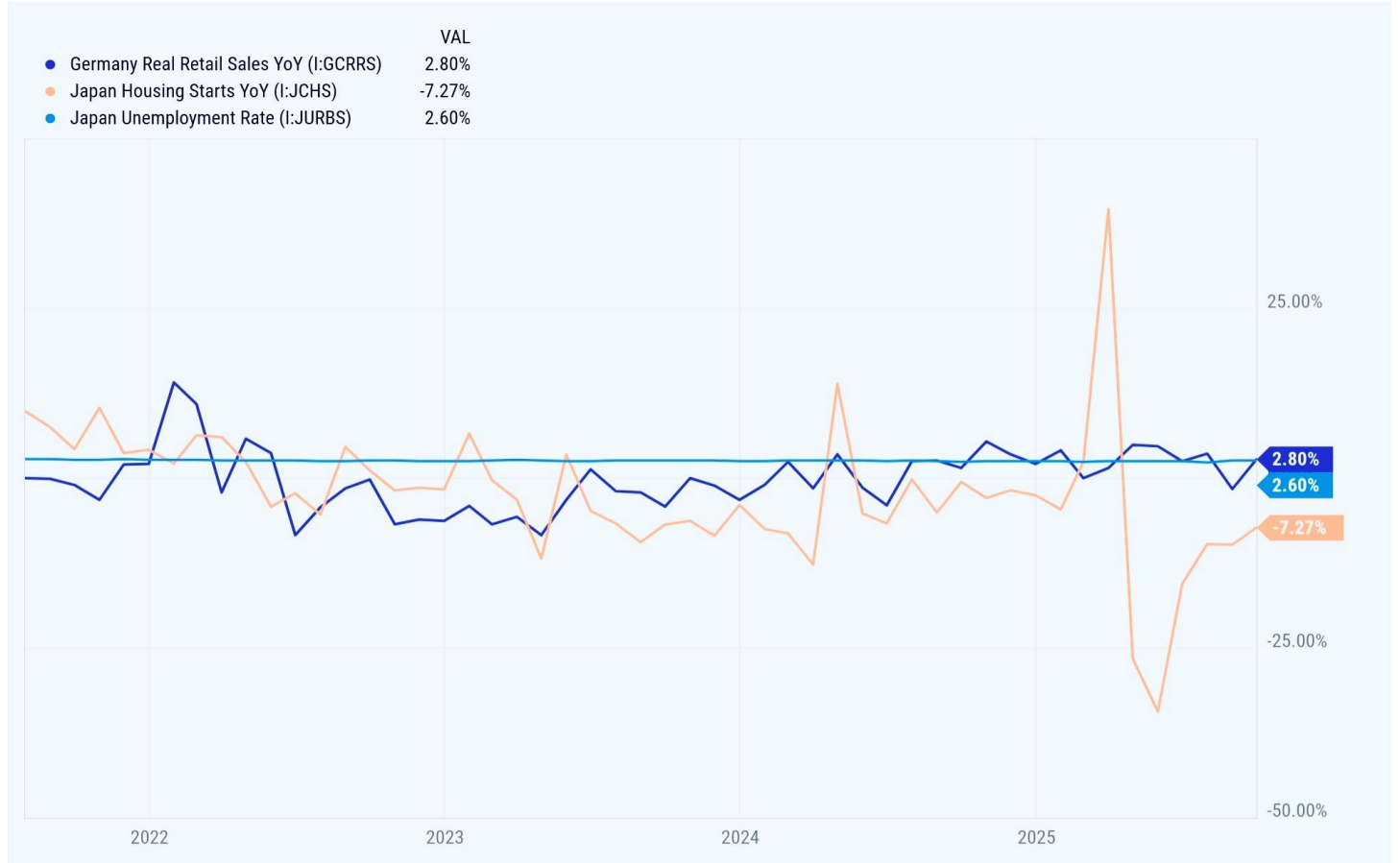
US Personal Income MoM; US Personal Spending MoM & US Employment Cost Index QoQ



- US Personal Income MoM (I:USPIMM) VAL 0.37%
- US Personal Spending MoM (I:USPSMM) 0.62%
- US Employment Cost Index QoQ (I:CUSECI) 0.90%



Germany Real Retail Sales YoY; Japan Housing Starts YoY & Japan Unemployment Rate





Wall Street Recap October 31, 2025



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