

Markets Hit Records as Fed Cut Fuels Small-Cap Rally; Nasdaq Jumps on NVIDIA-Intel Pact.

September 18, 2025

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The U.S. and European stock markets closed higher, extending market gains after a volatile reaction to the Federal Reserve's first rate cut in nearly a year.

Stocks powered to new records, led by small- and mid-cap names, as investors embraced fresh signs that the Fed is poised to keep cutting interest rates. The central bank's shift toward a sustained easing cycle reignited optimism for stronger economic growth and corporate earnings.

The S&P 500 advanced 0.41%, the Nasdaq Composite jumped 0.94%, and the Dow Jones Industrial Average added 124.10 points. All three major U.S. benchmarks closed at new intraday records, rebounding decisively from Wednesday's muted close that followed the Fed's quarter-point rate cut. The technology-focused Nasdaq Composite surged, driven by a significant increase in NVIDIA following reports of a \$5 billion investment in a co-development venture with Intel for advanced PC and data-center chips.

The Key European benchmarks advanced, while Asian markets finished mixed. Japan's Nikkei gained, but China's equity gauges softened on lingering property-sector concerns.

Fixed Income & Currencies

U.S. Treasuries continued to sell off modestly after Wednesday's FOMC decision, with the 10-year yield closing at 4.11%, up from a weekly low near 4.03%. The U.S. dollar strengthened against a basket of major currencies yet remains down roughly 10% for the year. WTI crude oil held steady within its recent \$60–\$65 per-barrel range.

Economic Data

Initial unemployment claims dropped to 231,000, reversing the prior week's spike to 264,000, mainly caused by temporary factors in Texas. Continuing claims eased to 1.92 million, below the early year's high of 1.97 million. The data suggest hiring remains soft, but broad layoffs are not yet evident—an essential backdrop for a Fed vigilant to labor-market risks.

Policy & Outlook

The Federal Reserve lowered the federal funds rate by 25 basis points to a 4.00%–4.25% range, citing fragile job growth as the key reason. Chair Powell stressed that policy remains data-dependent, with the FOMC split on how many cuts to deliver this year.

Futures markets currently price an 80%–90% chance of additional quarter-point cuts at the October and December meetings. Stronger hiring or renewed inflation pressures could temper those expectations and reintroduce volatility to both equity and bond markets.

Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 231,000.0, down from 264,000.0 last week, decreasing by 12.50%.
- **U.S. 4-Week Moving Average of Initial Claims for Unemployment Insurance:** fell to 240,000, down from 240,750.0 last week. Down -0.31%.
- **30 Year Mortgage Rate:** fell to 6.35%, compared to 6.50% last week.
- **Overall Net TIC Flows:** fell to \$77.82 billion, down from \$318.13 billion last month, a change of -75.54%.
- **Japan Consumer Price Index YoY:** fell to 3.10%, compared to 3.30% last month.

Eurozone Summary:

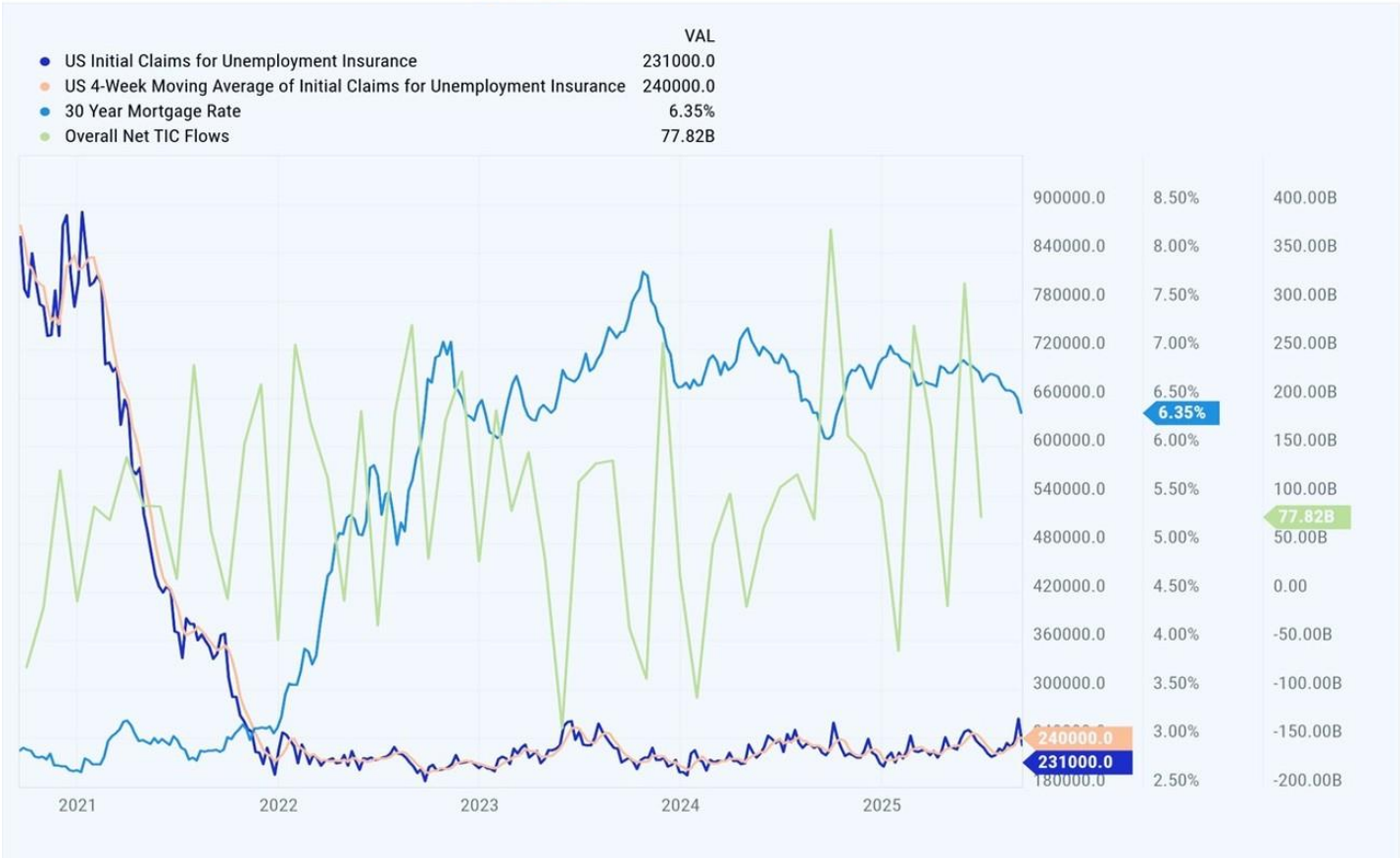
- **Stoxx 600:** Closed at 555.01, up 4.38 points or 0.80%.
- **FTSE 100:** Closed at 9,228.11, up 19.74 or 0.21%.
- **DAX Index:** Closed at 23,674.53, up 315.35 points or 1.35%.

Wall Street Summary:

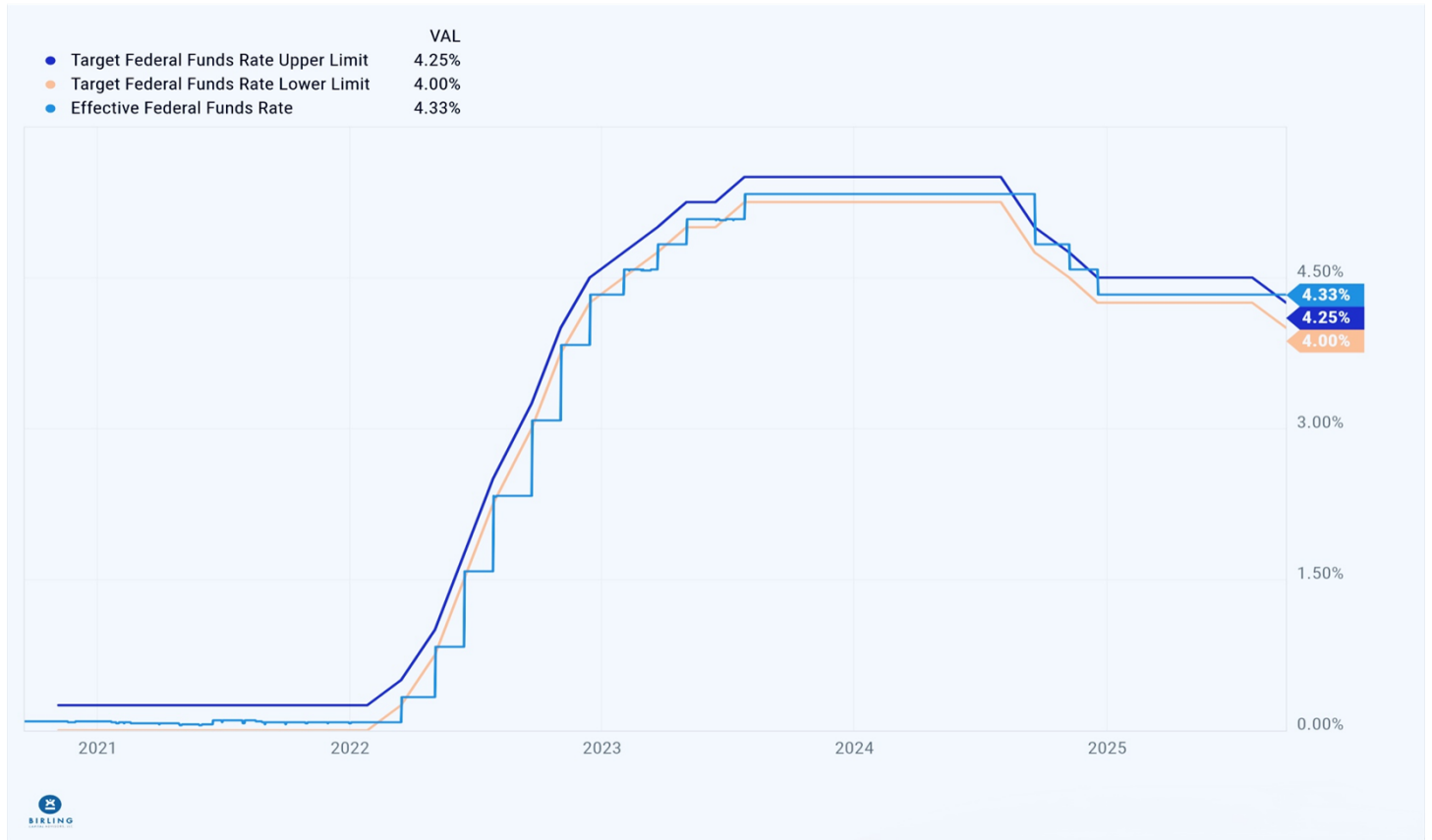
- **Dow Jones Industrial Average:** closed at 46,142.42, up 124.10 points or 0.27%.
- **S&P 500:** closed at 6,631.96, up 31.61 points or 0.48%.
- **Nasdaq Composite:** closed at 22,470.72, up 209.39 points or 0.94%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,170.54, up 43.42 points or 1.05%.
- **Birling Capital U.S. Bank Index:** closed at 8,256.39, up 93.30 points or 1.14%.
- **U.S. Treasury 10-year note:** closed at 4.11%.
- **U.S. Treasury 2-year note:** closed at 3.57%.



US Initial Claims for Unemployment, US 4-Week Average In Initial Claims, 30-Year Mortgage Rate & Overall Net TIC Flows

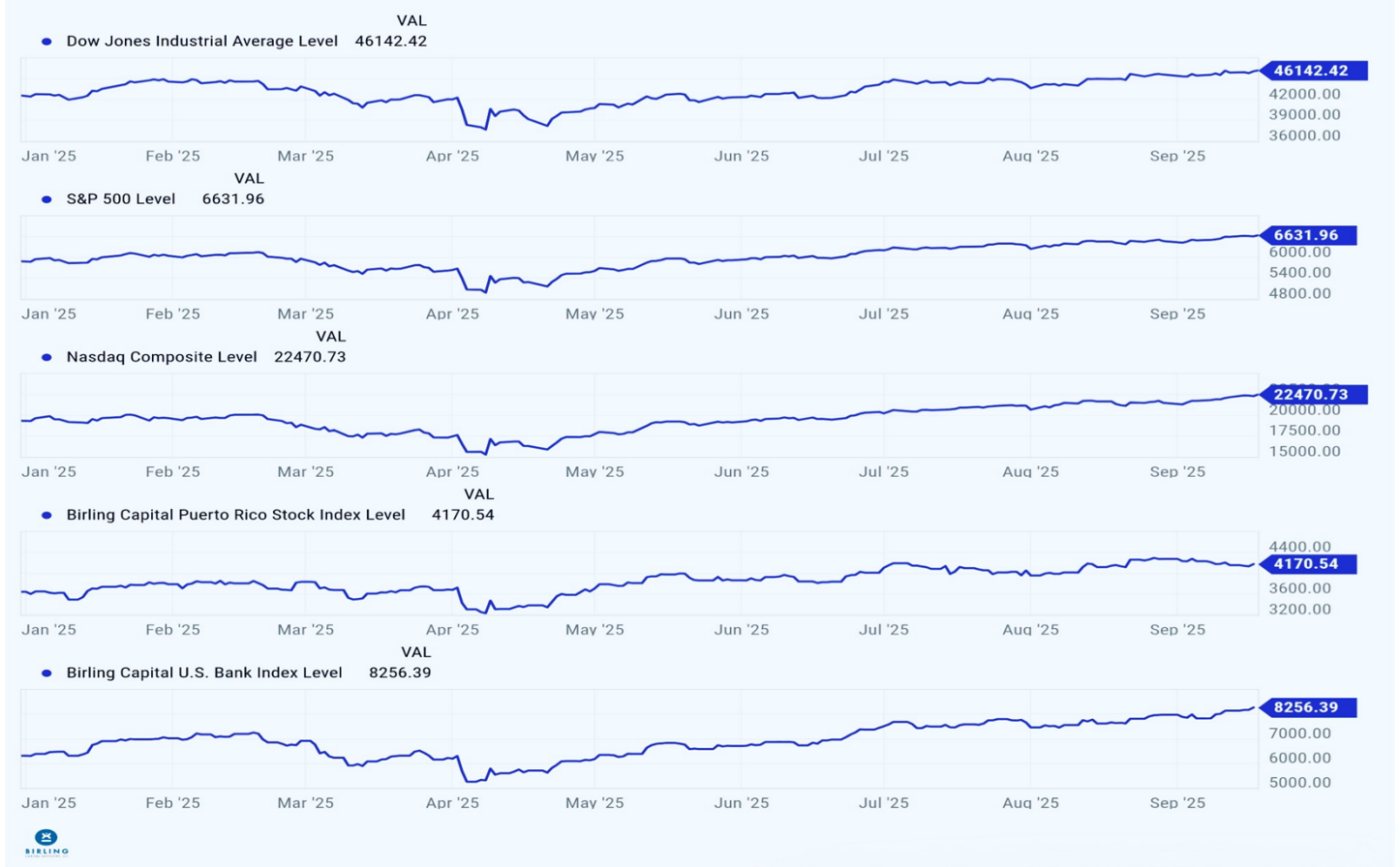


Target Federal Funds Rate Upper Limit, Target Federal Funds Rate Lower Limit and Effective Federal Funds Rate



Wall Street Recap

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