



Wall Street Extends Three-Day Slide as Shutdown Jitters Meet Strong U.S. Data.

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The U.S. and European stock markets closed with mixed results, falling for a third consecutive session, with the technology-heavy Nasdaq leading the retreat. On Wall Street, both the S&P 500 and the Nasdaq Composite dropped 0.50%, extending a three-day pullback of more than 1.0%, although they remain 12.27% and 15.86% returns YTD, and the Dow Jones fell 0.91% and maintains a healthy 8.02% YTD Return. Investors largely shrugged off stronger-than-expected economic data—including robust second-quarter GDP growth and lower jobless claims—preferring to lock in profits after an outsized rally and brace for a possible U.S. government shutdown next week.

Treasuries sold off modestly, nudging the 10-year yield up to 4.18%, a 14-basis-point increase above its level before the September 17 Fed meeting. We believe the firmer growth outlook will exert some upward pressure on yields, although the Fed's expected rate-cutting cycle in the coming months should limit the move.

European Markets Broadly Down

European stocks fell broadly on Thursday as renewed worries over U.S. trade policy weighed on sentiment. The **Stoxx 600** slipped **0.71%**, with all major regional bourses in the red. The Trump administration launched a national security probe into imports of medical devices, robotics, and industrial machinery, which includes **Siemens Healthineers**, **Philips**, and **ConvaTec**, all of which dropped more than 3%.

A consortium of nine major European banks, including **UniCredit** and **ING**, both of which are **\$1.0 Trillion Banks**, has also announced plans for a new euro-denominated stablecoin. This type of cryptocurrency is designed to maintain a **stable value equivalent to one euro (€1)**.

U.S. Economy Shows More Strength Than Anticipated

The Commerce Department's final read on second-quarter GDP came in at a 3.8% annualized pace, well above the 3.3% consensus forecast. Consumer spending advanced 2.5%, topping expectations of 1.7%, while the first-quarter import surge reversed. Looking ahead, the Atlanta Fed's GDPNow model projects third-quarter growth at a healthy 3.3%, supported by a consumption growth rate of approximately 2.7%.

Labor data reinforced the upbeat tone. Weekly jobless claims fell to 218,000—well below the 233,000 estimates—signaling that the recent spike to 263,000 was likely a one-off. Together, resilient growth and a firm labor market will guide the Fed's stance heading into the October 30 FOMC meeting.

Washington Gridlock Raises Shutdown Risk

With fiscal year 2025 funding set to expire September 30, Congress has yet to pass a full-year budget or even a temporary funding measure. Without action, the government will shut down on October 1. Since 1976, there have been 20 shutdowns lasting at least a day; the record 35-day closure in late 2018 stands as the longest.

Historically, brief shutdowns have only temporarily slowed activity, displacing rather than destroying economic output. Markets typically recover quickly: equities have been positive roughly half the time during closures and have gained in most three- and six-month windows afterward. While a shutdown could inject short-term volatility, the broader market narrative remains anchored in growth, earnings, and interest-rate trends.

Economic Data:

- **U.S. Real GDP 2Q Update:** rose to 3.80%, compared to -0.60% last quarter.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 218,000, down from 232,000 the previous week and down 6.03%.
- **U.S. Durable Goods New Orders MoM:** rose to 2.92%, compared to -2.69% last month.
- **U.S. Existing Home Sales:** rose to 4.01 million, up from 3.93 million last month, a 2.04% increase.
- **U.S. Total Vehicle Sales:** rose to 16.49 million, down from 16.99 million last month, down -2.92%.
- **30 Year Mortgage Rate:** rose to 6.30%, compared to 6.26% last week.

Eurozone Summary:

- **Stoxx 600:** Closed at 550.22, down 3.66 points or 0.66%.
- **FTSE 100:** Closed at 9,213.98, down 36.45 or 0.39%.
- **DAX Index:** Closed at 23,534.83, down 131.98 points or 0.56%.

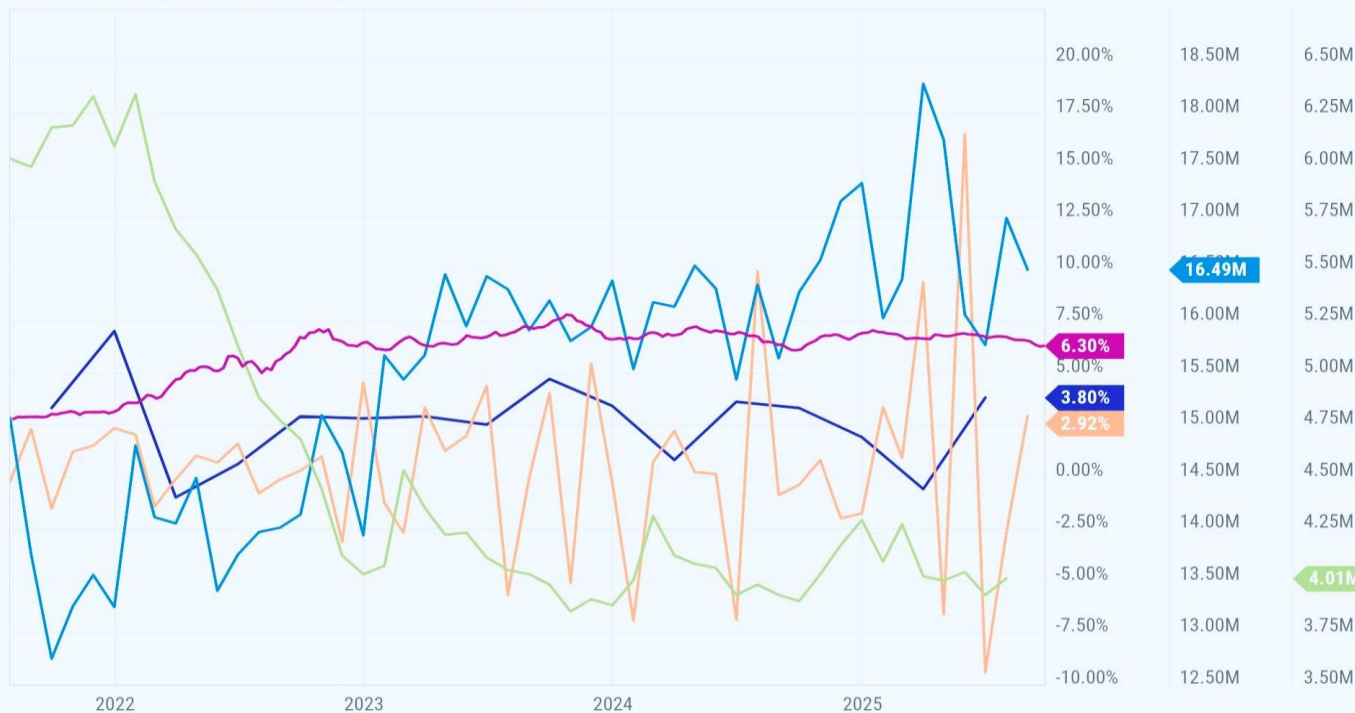
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 45,947.32, down 173.96 points or 0.38%.
- **S&P 500:** closed at 6,604.72, down 33.25 points or 0.50%.
- **Nasdaq Composite:** closed at 22,384.70, down 113.15 points or 0.50%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,228.49, up 22.56 points or 0.54%.
- **Birling Capital U.S. Bank Index:** closed at 8,297.40, down 69.88 points or 0.04%.
- **U.S. Treasury 10-year note:** closed at 4.18%.
- **U.S. Treasury 2-year note:** closed at 3.64%.

US Real GDP QoQ; US Durable Goods New Orders MoM; US Total Vehicle Sales; US Existing Home Sales & 30 Year Mortgage Rate



- US Real GDP QoQ (I:USRGDPG) 3.80%
- US Durable Goods New Orders MoM (I:USCDGNO) 2.92%
- US Total Vehicle Sales (I:USAS) 16.49M
- US Existing Home Sales (I:USEHS) 4.01M
- 30 Year Mortgage Rate (I:US30YMR) 6.30%





US Initial Claims for Unemployment, US 4-Week Average of Unemployment Claims, US Job Openings & US Job Seekers



Wall Street Recap September 25, 2025



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