



Global Markets React to Economic Data with U.S. Labor and Manufacturing Reports Slow, Eurozone Inflation Eases Amid Tariff Uncertainty.

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The U.S. and European stock markets are mostly up, except for the Dow Jones, which closed down, with investors awaiting a tariff announcement scheduled for tomorrow. President Donald Trump confirmed yesterday that a tariff plan has been finalized and will be revealed tomorrow afternoon. Early market sentiment is leaning defensive, with consumer staples leading the charge, while technology and financial sectors are trailing behind. In Europe, markets are mostly higher after the latest eurozone inflation report, which shows the consumer price index (CPI) rose by 2.2% YoY in March, a slight decline from February's 2.3%. On the domestic front, the focus was on the U.S. labor market and manufacturing data, with JOLTS job openings and the ISM Manufacturing PMI, which both fell 2.50% and 2.58%, respectively. We discuss them in detail below. Bond yields are also falling, with the 10-year Treasury yield closing at 4.17%.

Tariff Announcement Looming on April 2

Tariff uncertainty has shadowed the markets since mid-February, with the S&P 500 down approximately 9% from its peak. The unclear policy environment has made it challenging for companies to plan for future hiring and capital expenditure, leading to heightened market anxiety. Tariffs could push prices higher and dampen economic growth, which has fueled risk aversion over the past month. Tomorrow's announcement by President Trump is expected to shed more light on the administration's tariff plans. While this announcement may clarify, uncertainty will persist as other countries respond to U.S. tariffs. Market volatility can be uncomfortable for investors, but diversification has proven effective during uncertain times.

A diversified portfolio aligned with long-term goals can help investors navigate market turbulence and capitalize on shifting sector leadership.

Focus on Labor-Market and Manufacturing Data – Today's attention turns to U.S. labor-market and manufacturing reports, with the release of JOLTS job openings for February and the ISM Manufacturing PMI for March. Job openings fell from 7.762 million to 7.568 million, decreasing 2.50%, signaling that while demand for labor remains strong, it has begun to moderate. Job openings have outpaced unemployment numbers for several years, a sign of a healthy labor market. On the manufacturing front, the ISM Manufacturing PMI fell from 50.3 to 49.00, a 2.58% decrease, and it's worth noting that a reading above 50 signals expansion, while a figure below 50 indicates contraction. The PMI has shown two consecutive expansionary readings to begin 2025, following 26 months of contraction. A sustained recovery in manufacturing could provide further support for U.S. economic growth throughout the year.

GDPNow:

- **The GDPNow** for the first quarter of 2025 was updated today, April 1, falling to -3.70% from -2.80%, a 32.14% decrease. It is essential to mention that **on January 31, 2025**, the initial GDPNow was at 2.90% GDP and has fallen 227.59% since then to -3.70%.

Economic Data Update:

- **U.S. Job Openings Total Nonfarm:** fell to 7.568 million, down from 7.762 million last month, decreasing -2.50%.
- **U.S. ISM Manufacturing PMI:** fell to 49.00, down from 50.30 last month, decreasing -2.58%.
- **U.S. Construction Spending MoM:** rose to 0.73%, compared to -0.51% last month.
- **Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco:** fell to 2.40%, compared to 2.60% last month.
- **Eurozone Unemployment Rate:** fell to 6.10%, compared to 6.20% last month.
- **Euro Area Money Supply M3:** rose to 16.86 trillion, up from 16.78 trillion last month.
- **Japan Unemployment Rate:** fell to 2.40%, compared to 2.50% last month.

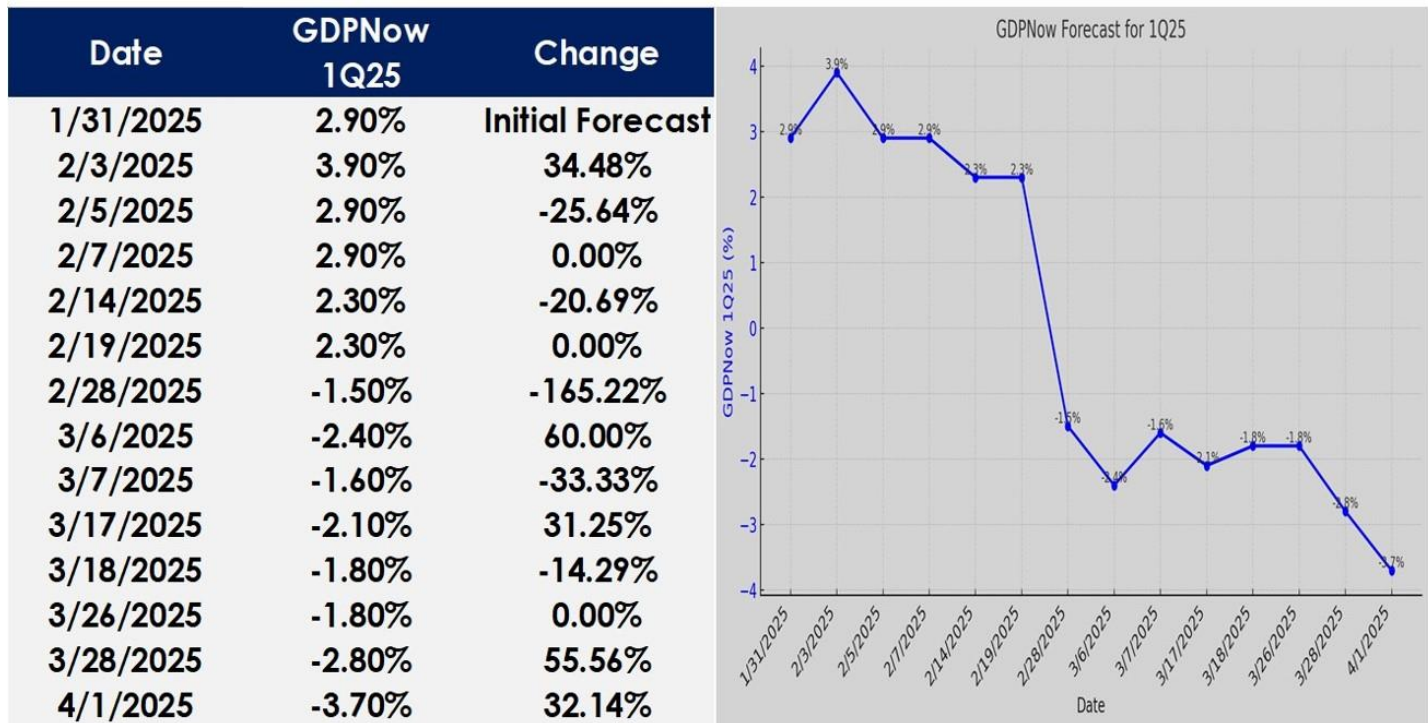
Eurozone Summary:

- **Stoxx 600:** Closed at 539.64, up 5.72 points or 1.07%.
- **FTSE 100:** Closed at 8,634.80, up 51.99 points or 0.61%.
- **DAX Index:** Closed at 22,539.98, up 376.49 points or 1.70%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 41,989.96, down 11.80 points or 0.03%.
- **S&P 500:** closed at 5,633.07, up 21.22 points or 0.38%.
- **Nasdaq Composite:** closed at 17,449.89, up 150.60 points or 0.87%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,683.60, up 11.78 points or 0.32%.
- **Birling Capital U.S. Bank Index:** closed at 6,183.79, up 65.54 points or 1.07%.
- **U.S. Treasury 10-year note:** closed at 4.17%.
- **U.S. Treasury 2-year note:** closed at 3.87%.

The latest GDPNow for 1Q25, reported on April 1, decreased to **-3.70%**, down from **-2.80%**, representing a **32.14% decrease**. However, the decrease since January 31 has been **227.59%**.

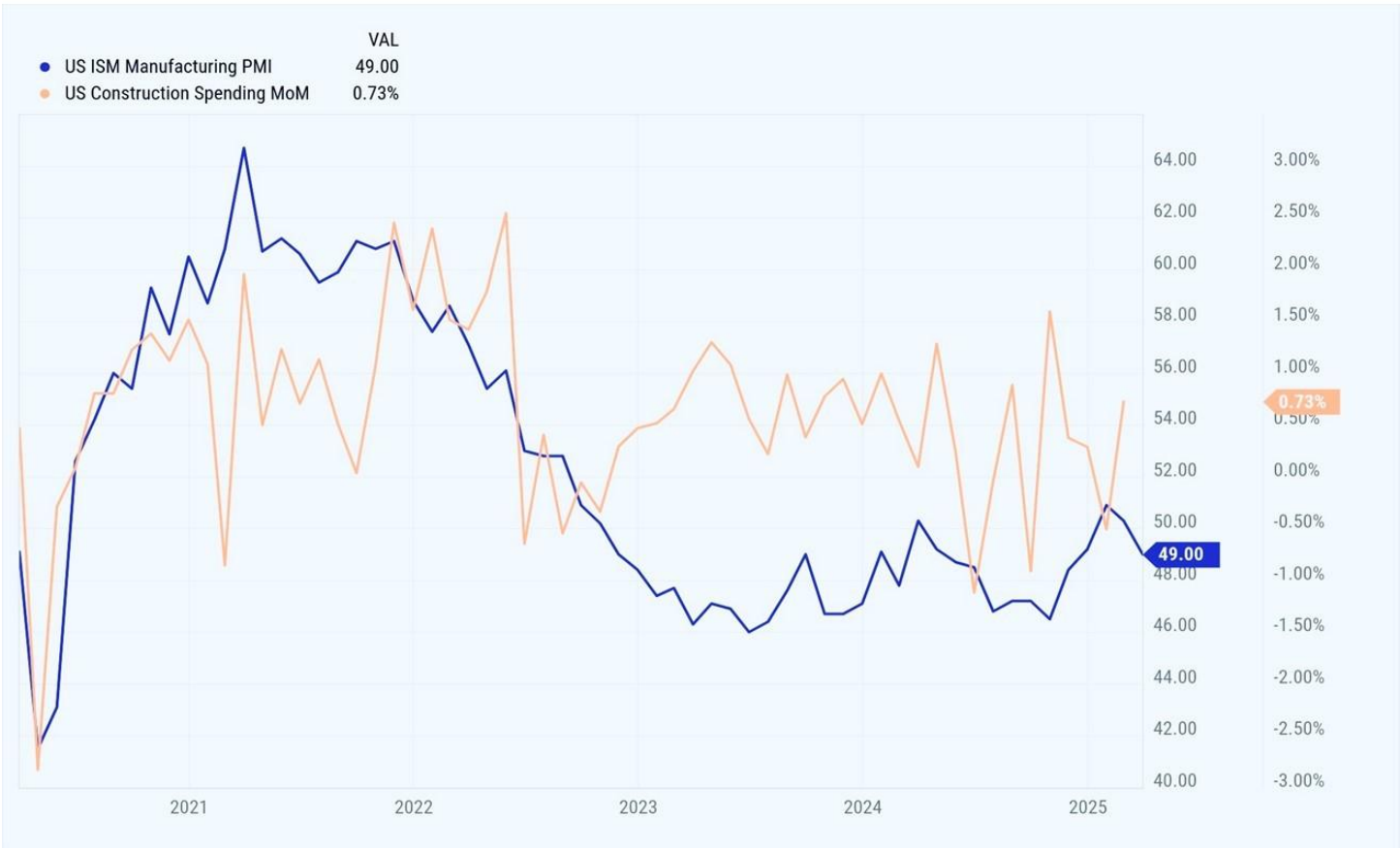




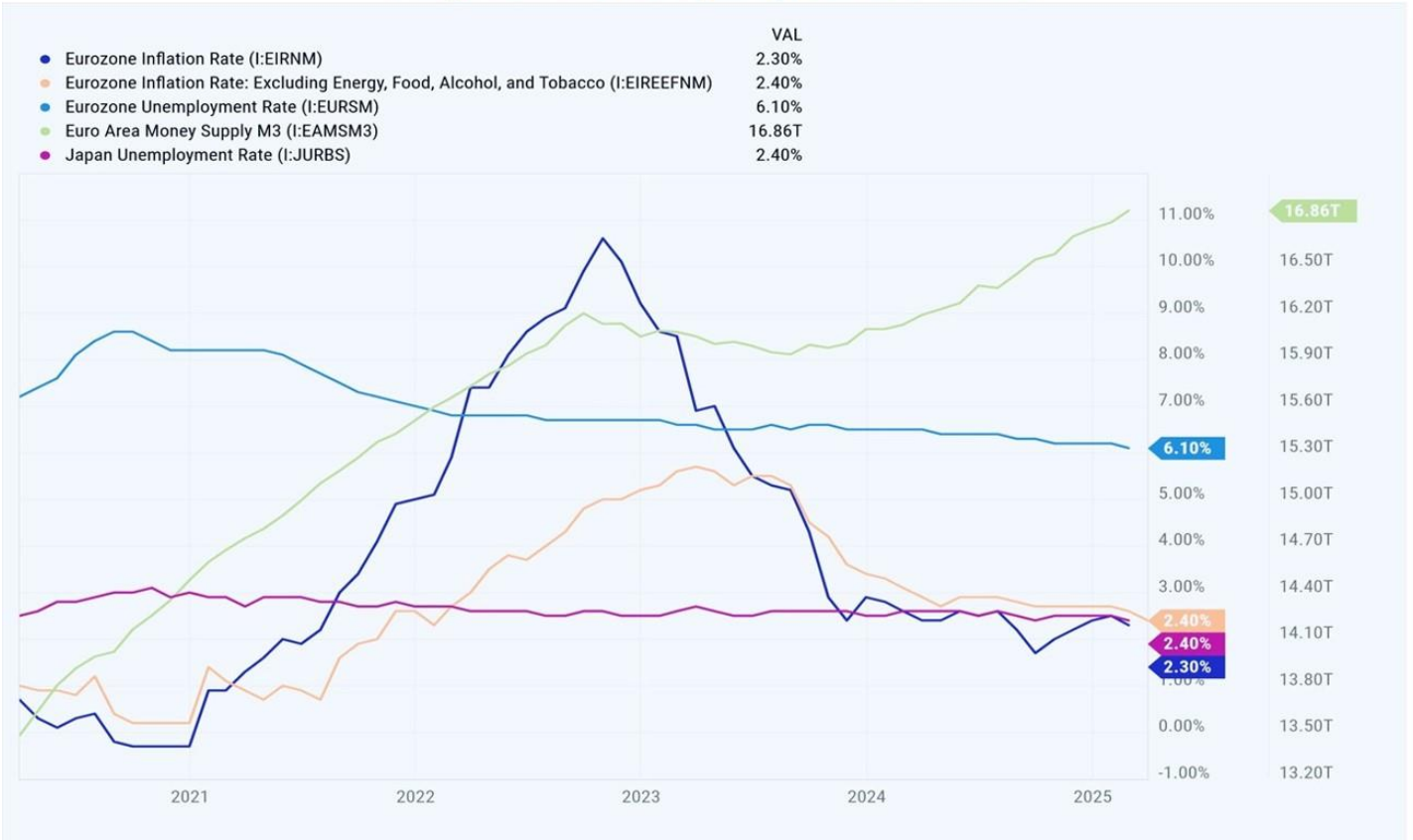
US Job Openings Total Nonfarm, and US Job Seekers



US ISM Manufacturing PMI & US Construction Spending MoM



Eurozone Inflation Rate, Euro Area Money Supply, Eurozone Unemployment Rate & Japan Unemployment Rate





Wall Street Recap

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