

Dow Jones Falls 1,382.56 Points for the week as Nvidia Tumbles, Eli Lilly Soars; Labor Market Defies Slowdown Fears.

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The U.S. and European stocks closed with mixed results following yesterday's turbulent trading session as the Dow Jones fell another 527.16 points to end the week with total loss of 1,382.56 points or 3.41%, the Nasdaq fell 3.24%, and the S&P 500 fell 2.28%.

Nvidia extended its decline Thursday, falling nearly 3% after a steep 7% drop the previous day. The selloff followed the company's disclosure of a \$5.5 billion quarterly charge related to U.S. export restrictions on its H20 GPUs, particularly impacting sales to China.

Despite Nvidia and UnitedHealth dragging on the broader market, optimism emerged elsewhere. Eli Lilly surged 16% after promising trial results for a new weight-loss pill. In comparison, Netflix rose nearly 2% ahead of its upcoming earnings release, helping to offset the market's losses partially. Shares of UnitedHealth Group are under pressure after the company reported first-quarter earnings per share below analysts' estimates and issued a weaker outlook for 2025.

European equities are slightly lower after the European Central Bank cut its key policy rate by 25 basis points to 2.25%—a move aimed at bolstering growth amid subdued inflation. Lastly, Asian markets posted solid overnight gains.

From a macroeconomic perspective, initial jobless claims came in lower than expected, signaling continued resilience in the labor market. However, March housing starts slightly missed forecasts. Bond markets remain stable, with the 10-year Treasury yield at 4.3%.

Labor Market Still Resilient as Jobless Claims Decline

Initial jobless claims fell to 215,000 last week, down from 224,000 the previous week and well below the long-term median of 324,000. Despite broader concerns around corporate downsizing, layoffs remain limited, and job creation has been steady. March nonfarm payrolls rose by 228,000, bringing the year-to-date monthly average to 152,000—only modestly below 2024's average of 168,000. While labor market conditions could soften later this year as firms adjust to a shifting economic and policy landscape, the current strength offers a buffer against potential headwinds. A strong starting point could help the economy navigate elevated uncertainty with greater resilience.

Diversification Proves Its Value in 2025's Volatile Market

After two years dominated by U.S. large-cap outperformance, 2025 has rewarded diversified investors. International developed markets—particularly in Europe and Japan—have outperformed, gaining over 6% year-to-date, while the S&P 500 is down roughly 10%. Germany's fiscal stimulus and a weakening U.S. dollar have been key drivers of this international strength. Emerging markets have also shown relative resilience, posting only a 1% decline this year.

While it's premature to declare a long-term leadership shift away from U.S. equities, the current rotation underscores the strategic importance of diversification. A balanced portfolio with a mix of

global equities and asset classes can help manage volatility and capitalize on evolving market leadership.

Economic Data Update:

- **US Initial Claims for Unemployment Insurance:** fell to 215,000, down from 224,000 last week and down -4.02%.
- **US Building Permits:** rose to 1.482M, up from 1.459M last month.
- **US Housing Starts:** fell to 1.324M, down from 1.494M last month.
- **30-Year Mortgage Rate:** rose to 6.83%, compared to 6.62% last week.
- **Germany Producer Price Index YoY:** fell -0.20%, compared to 0.70% last month.
- **Japan Consumer Price Index YoY:** fell to 3.70%, compared to 4.00% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 506.42, down 0.67 points or 0.13%.
- **FTSE 100:** Closed at 8,275.66, up 0.061 points or 0.00073%.
- **DAX Index:** Closed at 21,205.86, down 105.16 points or 0.49%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 39,142.23, down 527.16 points or 1.33%.
- **S&P 500:** closed at 5,282.70, up 7.00 points or 0.13%.
- **Nasdaq Composite:** closed at 16,286.45, down 20701 points or 0.13%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,347.44, down 20.06 points or 0.60%.
- **Birling Capital U.S. Bank Index:** closed at 5,607.48, down 111.07 points or 1.94%.
- **U.S. Treasury 10-year note:** closed at 4.34%.
- **U.S. Treasury 2-year note:** closed at 3.81%.

US Initial Claims for Unemployment Insurance, US Job Openings Total Nonfarm & US Unemployed Persons Job Seeker



US Housing Starts; US Building Permits & 30 Year Mortgage Rate





Wall Street Recap April 17, 2025



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