



Wall Street Losses Steam Ahead of CPI and PPI Data; Earnings Blow Past Expectations.

August 11, 2025

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets opened the week mostly lower as investors set a cautious tone ahead of key inflation data due later this week.

On Wall Street, the Dow Jones fell 200.52 points, the S&P lost 16.00 points, and the Nasdaq Composite fell 64.62 points.

Bond yields closed unchanged, with the 10-year U.S. Treasury at 4.27%, well below July's 4.50% peak. European markets closed mostly lower, while Asian equities closed mostly higher. However, the U.S. dollar advanced against major currencies, and WTI crude is climbing as markets eye U.S.–Russia talks later this week.

Inflation in Focus – CPI and PPI in the Spotlight

Markets are bracing for an uptick in price pressures. July's Consumer Price Index (CPI), due to be released on Tuesday, is expected by Inflation Nowcasting to rise to 2.72% year-over-year (yoy), up from 2.76% in June and reversing April's four-year low of 2.3%. Core CPI, excluding food and energy, is forecast at 3.04%, up from 2.91% previously. On Thursday, the Producer Price Index (PPI) is set to show a similar acceleration, with higher import costs—linked in part to tariffs—filtering into wholesale prices. While these price moves may represent short-term tariff effects rather than a sustained inflation trend, the bond market remains confident: 10-year breakeven imply long-term inflation expectations of 2.39%.

Earnings Season Wrap-Up – Stronger Than Expected

With 90% of S&P 500 companies now reported, the Q2 earnings season is closing on a high note. Results have outpaced forecasts, with 82% of companies beating expectations by an average of 8.5%. Analysts have sharply revised full-year earnings growth upward to 10.4% from just 3.8% at the quarter's start. Gains have been led by communications and technology—both of which have exceeded 20% growth—while energy and materials have posted declines, collectively accounting for less than 5% of the S&P market cap. Although growth is projected to moderate in the coming quarters, consensus still calls for a robust 10.2% increase in 2025, bolstered by Q1's 12.8% surge. Tariff pressures could trim margins, but overall profit momentum remains a support for equity valuations.

Eurozone Summary:

- **Stoxx 600:** Closed at 546.76, down 0.32 points or 0.06%.
- **FTSE 100:** Closed at 9,129.77, up 33.98 points or 0.37%.
- **DAX Index:** Closed at 24,081.34, down 81.52 points or 0.34%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 43,975.09, down 200.52 points or 0.45%.
- **S&P 500:** closed at 6,373.45, down 16.00 points or 0.25%.
- **Nasdaq Composite:** closed at 21,385.40, down 64.62 points or 0.30%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,010.44, up 28.35 points or 0.71%.
- **Birling Capital U.S. Bank Index:** closed at 7,543.52, up 100.45 points or 1.35%.
- **U.S. Treasury 10-year note:** closed at 4.27%.
- **U.S. Treasury 2-year note:** closed at 3.76%.



Inflation Nowcasting CPI & Core CPI

**Inflation
Nowcasting**

**CPI
Forecast**

**Core CPI
Forecast**

July

2.72%

3.04%

Wall Street Recap

August 11, 2025



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.