



The S&P 5400 and Nasdaq Composite Hit Fresh Records as Apple Soars, Global Markets End Mixed Ahead of Key Inflation Data with the CPI.

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The U.S. and European stock markets delivered a mixed performance on Friday, closing the week with a relatively quiet session on both the data and news fronts.

Wall Street ended the week on a strong note, with major U.S. indexes advancing on Friday and setting up solid weekly gains across the board. The **Dow Jones Industrial Average** climbed 183.15 points, or 0.5%, while the **S&P 500** rose 0.8% and the **Nasdaq Composite** gained 0.9%, both hitting fresh all-time highs.

For the week, the gains are decisive: the Dow is up 1.4%, the S&P 500 has advanced 2.5%, and the Nasdaq is tracking a robust 3.9% rise.

Apple was a key driver of Friday's rally, powering both the S&P 500's technology sector and the Nasdaq. The stock has surged 13% this week—its best performance since July 2020—after unveiling plans to invest roughly \$600 billion in the U.S. over the next four years, a move widely seen as reinforcing its standing with President Donald Trump's administration.

In Europe, the Stoxx 600 advanced 1.03% to 547.08, while London's FTSE 100 slipped 5.04 points to 9,095.73. Japan's Nikkei posted gains, while emerging-market equities also traded in the green.

Earnings Season Continues to Impress, But Tariff Uncertainty Lingers

Corporate earnings announcements remained a focal point, with results trending positive—particularly in sectors tied to artificial intelligence. However, the macroeconomic backdrop remains clouded by tariff concerns, keeping investor sentiment in check. In Canada, equities opened higher despite a surprisingly steep drop in July employment. The jobless rate fell to 6.9% from 7.0%, but this improvement was primarily the result of declining labor force participation rather than hiring strength.

Bond Yields Edge Higher; Commodities Mixed

In the U.S., Treasury yields extended their upward drift after the sharp rally seen late last week and a series of weak auction results earlier this week. The 10-year yield closed at 4.275, its best closing of the month so far. In the currency markets, the Canadian dollar weakened against the U.S. dollar following the release of its disappointing labor report. WTI crude was little changed, while gold prices gained on news that imports of gold bars will now face reciprocal tariffs under President Trump's trade framework.

Trump Names Miran to Fill Fed Vacancy

President Trump announced his intention to nominate Council of Economic Advisers Chairman Miran to complete the remainder of Governor Kugler's term, following her resignation last week. With the Senate in recess until early September, it remains unclear whether the confirmation process will conclude before the September FOMC meeting. Should he be confirmed in time, Miran would likely

align with board members Waller and Bowman in supporting a 25-basis-point rate cut, reflecting his belief that tariffs will have only a limited impact on inflation.

While Miran holds unconventional views on the Fed's role in bank regulation—changes that would require unlikely legislative approval—Trump has signaled he will not renominate him in January, keeping the search open for a permanent replacement. Reports also indicate that Governor Waller has emerged as the leading candidate to succeed Chair Powell, a choice that markets would likely welcome for its policy consistency and institutional credibility.

CPI in Focus Next Week

After last week's weaker-than-expected U.S. payrolls growth, economic releases were scarce this week. The coming week, however, will see a busier calendar, led by the July CPI and PPI inflation reports, as markets assess how tariffs are being reflected in consumer prices. Consensus forecasts anticipate a 0.3% month-over-month increase in core CPI, indicating a modest rise in inflation consistent with gradual corporate price adjustments.

Later in the week, retail sales data will offer fresh insight into consumer spending patterns amid a cooling labor market and potential price pressures. We expect U.S. GDP growth to remain subdued through the second half of 2025 as the economy adjusts to higher tariffs, before reaccelerating in 2026 as tariff-related disruptions ease, monetary policy becomes more accommodative, and this year's tax cuts begin to stimulate activity.

Economic Update:

- **Canada Employment Net Change:** fell -40.80K, down from 83.10K last month.
- **Canada Unemployment Rate:** is unchanged at 6.90%, compared to 6.90% last month.
- **Canada Labour Force Participation Rate:** fell to 65.20%, compared to 65.40% last month.
- **China Inflation Rate:** rose to 0.10%, compared to -0.10% last month.
- **China Producer Price Index YoY:** is at -3.60%, compared to -3.30% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 547.08, up 1.03 points or 0.19%.
- **FTSE 100:** Closed at 9,095.73, down 5.04 points or 0.055%.
- **DAX Index:** Closed at 24,162.86, down 29.64 points or 0.12%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,175.61, up 206.97 points or 0.47%.
- **S&P 500:** closed at 6,389.45, up 49.45 points or 0.78%.
- **Nasdaq Composite:** closed at 21,450.02, up 207.32 points or 0.98%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,982.09, down 0.30 points or 0.01%.
- **Birling Capital U.S. Bank Index:** closed at 7,443.06, down 67.22 points or 0.90%.
- **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

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