



Wall Street Rebalances, Dow Jumps 646 Points to All-Time High; Jobless Claims Mixed, Bond Yields Ease, and Europe Closes Higher Following Fed Cut.

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The **U.S. and European stocks rotated sharply on Thursday as investors moved out of AI and cloud stocks** and into firms likely to benefit from broader U.S. economic growth. A Federal Reserve rate cut, and weak Oracle results drove the Dow Jones Industrial Average to an all-time high.

The Dow jumped 646.26 points to a record, boosted by inflows into financials, industrials, and cyclicals. Visa led after a Bank of America upgrade lifted sentiment toward payments and the U.S. consumer.

The **S&P 500 rose 0.21%** on defensive and value strength.

The **Nasdaq dropped 0.26%** as investors trimmed positions in mega-cap tech stocks.

Oracle Stumbles, Triggering a Pullback in AI-Linked Tech, and was central to Thursday's action, with shares down 10.83% on weak revenue and increased capital spending. The update renewed concern about debt and competitiveness in an AI-focused landscape.

The disappointing Oracle report quickened the rotation as investors locked in profits from leading AI and cloud stocks and relocated to sectors expected to benefit from lower rates and a soft landing.

Labor Market Data Signals Cooling, Not Cracking

Weekly jobless data painted a mixed picture.

- Initial jobless claims rose to 236,000, notably above expectations of 213,000 and the highest level in three months.
- Continuing claims slipped to 1.84 million, down from 1.94 million and modestly below consensus.

We see a labor market cooling but fundamentally solid. Unemployment is at 4.4%, still low. October job openings rose to 7.7 million, just above the 7.6 million unemployed. Wage growth remains ahead of inflation, supporting real income gains and consumer spending.

Bond Yields Drift Lower as Markets Absorb the Fed Cut

Treasury yields fell after Wednesday's expected Fed cut. The 10-year yield rose to 4.14%, with markets now expecting two rate cuts in 2026, more than the Fed's projection of one. Lower borrowing costs should help households and businesses, supporting a soft landing and corporate profits as financing pressures ease.

Europe Closes Higher; Swiss National Bank Holds at 0%

European equities ended the session in positive territory as investors digested the Fed's latest move and Switzerland's monetary policy decision. The **Swiss National Bank held rates at 0%**, citing inflation

that has cooled more than expected and reaffirming a cautiously steady stance. The SNB highlighted that **global economic growth outperformed expectations in the third quarter**, even as U.S. tariff policy added uncertainty to global trade flows. Despite these pressures, economic activity across major economies has proven more resilient than anticipated.

Swiss policymakers continue to navigate a delicate balance:

- The economy is trending toward **disinflation**,
- The Swiss franc remains strong as a safe-haven currency,
- And **Swiss inflation fell to 0% in November**, heightening the risk of deflation in an export-driven system.

Compounding this challenge, Switzerland faced some of the **highest reciprocal tariffs imposed by the Trump administration** during the summer. Although both governments reached a deal last month to reduce the tariff rate to **15%**, Swiss officials warned earlier that the prior **39% rate** had placed a “heavy burden” on several of the nation's key industrial sectors.

GDPNow Update:

- The **GDPNow** for the third quarter was updated on December 11 to **3.60%**, up from 3.50% a **2.86% increase**.

Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** rose to 236,000, up from 192,000 last week, an increase of 22.92%.
- **US Trade Balance on Goods:** is at -78.98B, up from -86.06B last month.
- **US Wholesale Inventories MoM:** rose to 0.45%, compared to -0.07% last month.
- **30 Year Mortgage Rate:** fell to 6.19%, compared to 6.23% last week.
- **Japan Industrial Production Index MoM:** fell to 1.36%, compared to 2.58% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 581.34, up 3.17 points or 0.55%.
- **FTSE 100:** Closed at 9,703.16, up 47.63 or 0.49%.
- **DAX Index:** Closed at 24,294.61, up 164.47 points or 0.68%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 48,704.01, up 646.26 points or 1.34%.
- **S&P 500:** closed at 6,900.99, up 14.31 points or 0.21%.
- **Nasdaq Composite:** closed at 23,593.85, down 60.30 points or 0.26%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,937.42, up 116.41 points or 3.05%.
- **Birling Capital U.S. Bank Index:** closed at 8,990.12, up 140.95 points or 1.59%.
- **U.S. Treasury 10-year note:** closed at 4.14%.
- **U.S. Treasury 2-year note:** closed at 3.52%.

GDPNow

Third Quarter 2025

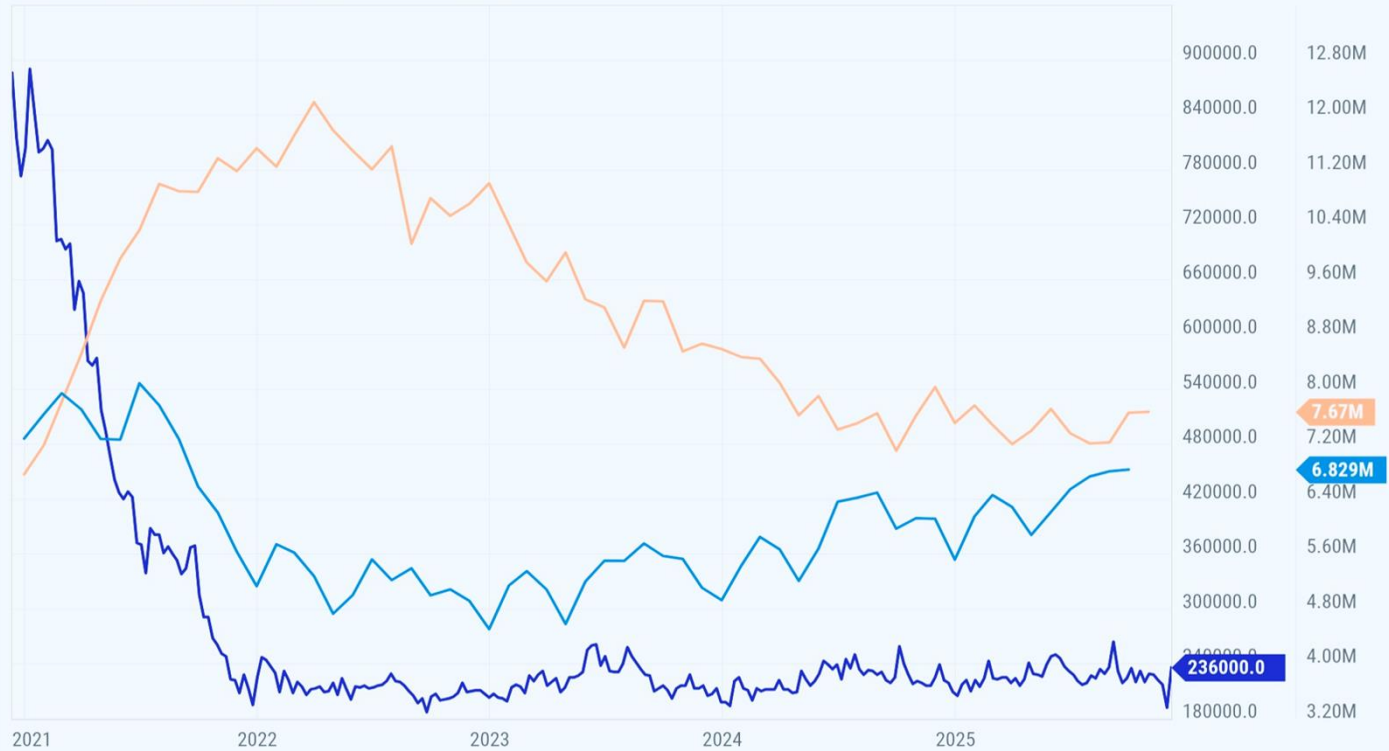
Date	GDPNow 3Q25	Change
7/31/2025	2.30%	Initial Forecast
8/1/2025	2.10%	-8.70%
8/5/2025	2.50%	19.05%
8/7/2025	2.50%	19.05%
8/15/2025	2.50%	0.00%
8/19/2025	2.30%	-8.00%
8/26/2025	2.20%	-4.35%
8/29/2025	3.50%	59.09%
9/2/2025	3.00%	-14.29%
9/4/2025	3.00%	0.00%
9/10/2025	3.10%	3.33%
9/16/2025	3.40%	9.68%
9/17/2025	3.30%	-2.94%
9/26/2025	3.90%	18.18%
10/1/2025	3.80%	-2.56%
10/7/2025	3.80%	0.00%
10/17/2025	3.90%	2.63%
10/27/2025	3.90%	0.00%
11/3/2025	4.00%	2.56%
11/17/2025	4.10%	2.50%
11/19/2025	4.10%	0.00%
11/25/2025	4.00%	-2.44%
11/26/2025	3.90%	-2.50%
12/1/2025	3.90%	0.00%
12/5/2025	3.50%	-10.26%
12/11/2025	3.60%	2.86%



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US Initial Claims for Unemployment US Job Openings & US Job Seekers

- VAL
- US Initial Claims for Unemployment Insurance 236000.0
 - US Job Openings: Total Nonfarm 7.67M
 - US Unemployed Persons: Job Seeker 6.829M





Dow Jones, S&P 500, Nasdaq, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns 12/11/25

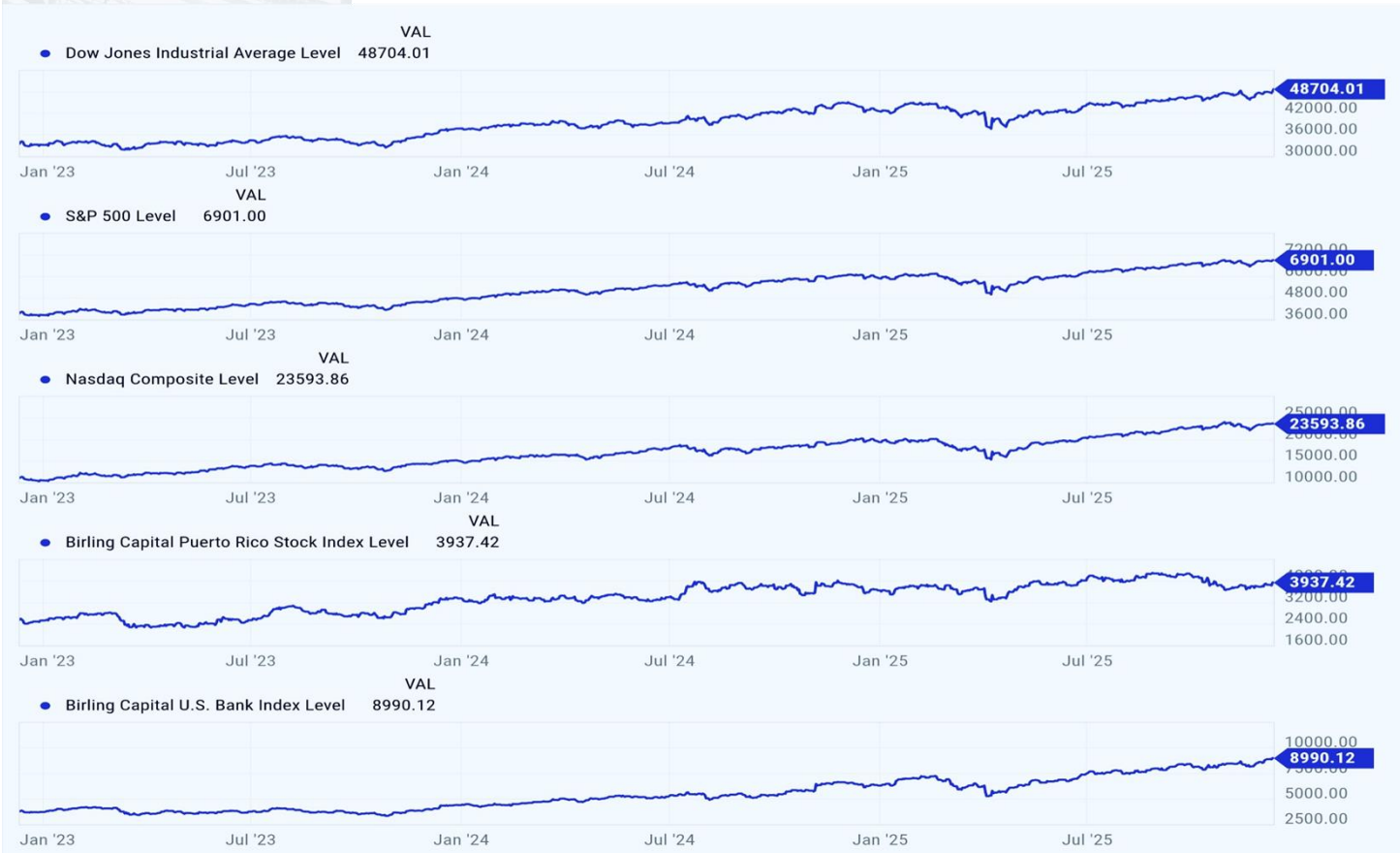




Wall Street Recap

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