



Tech Revives Risk Appetite; Bayer's 12% Jump Lifts Europe as Macro Signals Take Center Stage.

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The U.S. and European stock markets closed higher with a strong rebound in technology driving the early-session momentum. Mid-cap software name **MongoDB** ignited the move after delivering robust earnings and upbeat forward guidance.

The **Dow Jones** rose by **185.13 points**, the **Nasdaq** rose **137.25 points**, and the **S&P 500** rose **0.25%** giving markets a much-needed boost after Monday's muted start to December.

Outside of tech, gains are modest, with most sectors trading flat to slightly lower as investors position ahead of a wave of economic data. Treasury yields remain stable, with the **10-year closing at 4.09%** and the **2-year at 3.51%**, signaling a wait-and-see posture ahead of key inflation and labor reports.

Europe: Bayer Jumps 12% as Utilities Lead Regional Gains

European stocks closed higher on Tuesday, regaining a solid footing after Monday's broad selloff. **Bayer surged 12%** after the **Trump administration signaled support for curbing Roundup-related lawsuits**, a major relief for the company that has faced years of costly litigation over the weed killer. The headline sharply improved sentiment around the stock and helped lift the broader healthcare and chemicals space.

Financials Steady After Bank of England Stress Test Results

The **FTSE 350 Banks Index** retraced earlier gains to finish slightly higher, up **0.1%**, after the **Bank of England**:

- **Trimmed its capital buffer estimate** for banks — the first such reduction in a decade
- Announced that **all major U.K. banks passed the 2025 stress tests**, demonstrating resilience against severe economic shocks and in its report, the central bank stated:

"The results of the 2025 Bank Capital Stress Test indicate that the UK banking system would be able to continue to support the economy even if economic conditions turn out materially worse than expected".

The message bolstered confidence in the region's financial stability, even as global markets navigate tightening conditions and policy uncertainty.

Markets Prepare for the Week's Data Surge

The quiet economic calendar on Tuesday belies a high-impact week ahead. Investors are preparing for a dense cluster of indicators that will help define the trajectory of U.S. growth and inflation going into 2026.

Coming Up This Week

- **The ADP Employment Report (Wed.)** forecasts **40,000** private-sector jobs.
- **ISM Services PMI (Wed.)** Arriving on the heels of yesterday's weaker Manufacturing PMI, showing declines in new orders and employment

- **PCE Inflation (Fri.)** Delayed September reading due to the government shutdown is expected to rise to **2.8%** headline & core

Despite trade-policy shifts and the most extended government shutdown in U.S. history, economic momentum in 2025 has remained surprisingly durable. With monetary policy poised to ease and a modest fiscal tailwind emerging in 2026, the macro backdrop for equities remains constructive.

Looking Toward 2026: Global Earnings Strengthen the Investment Case

Global equities remain on track for gains over **15% in 2025**, driven by:

- Firmer economic activity in the eurozone
- Profitability tailwinds in Japan
- A global wave of AI-related capex
- A weaker U.S. dollar is boosting international returns

In emerging markets, enthusiasm around semiconductors, robotics, and AI infrastructure has fueled outperformance in **Korea** and **China**, underscoring how globally diffused the AI cycle has become. Yet much of 2025's rally rests on **valuation expansion**. In 2026, **earnings growth** is expected to take center stage:

- **Eurozone:** >10%
- **United Kingdom:** >10%
- **China:** >10%
- **Japan:** ~9%

A broadening earnings cycle creates a healthier foundation for global equity markets and supports a portfolio strategy centered on international diversification.

We continue to recommend a global pro-equity stance, emphasizing:

- **U.S. large- and mid-cap equities**
- **International developed small- and mid-cap equities**
- **Emerging-market equities**, particularly in innovation-centric regions

This mix captures resilient U.S. fundamentals while positioning investors to benefit from a synchronized global earnings expansion in 2026.

Economic Data:

- **U.S. Retail Gas Price:** is at \$3.19, unchanged from \$3.19 last week.
- **Eurozone Inflation Rate:** Excluding Energy, Food, Alcohol, and Tobacco is unchanged at 2.40%, compared to 2.40% last month.
- **Eurozone Unemployment Rate:** is unchanged at 6.40%, compared to 6.40% last month.

Eurozone Summary:

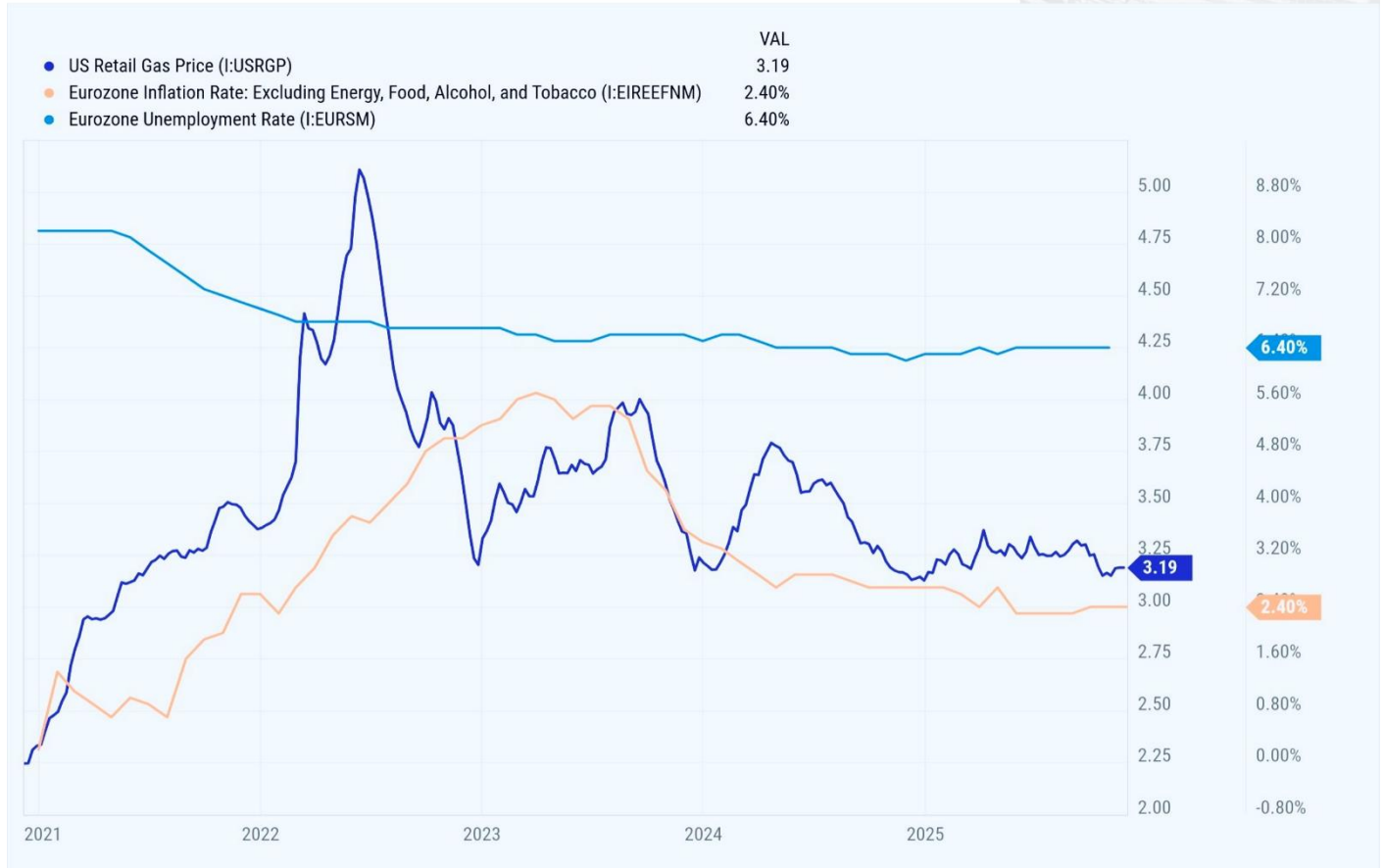
- **Stoxx 600:** Closed at 575.65, up 0.38 points or 0.07%.
- **FTSE 100:** Closed at 9,701.80, down 0.73 or 0.01%.
- **DAX Index:** Closed at 23,710.86, up 121.42 points or 0.51%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 47,474.46, up 185.13 points or 0.39%.
- **S&P 500:** closed at 6,829.37, up 16.74 points or 0.25%.

- **Nasdaq Composite:** closed at 23,413.67, up 137.25 points or 0.59%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,803.33, up 30.65 points or 0.81%.
- **Birling Capital U.S. Bank Index:** closed at 8,511.62, down 86.62 points or 1.01%.
- **U.S. Treasury 10-year note:** closed at 4.09%.
- **U.S. Treasury 2-year note:** closed at 3.51%.

US Retail Gas Price; Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco & Eurozone Unemployment Rate



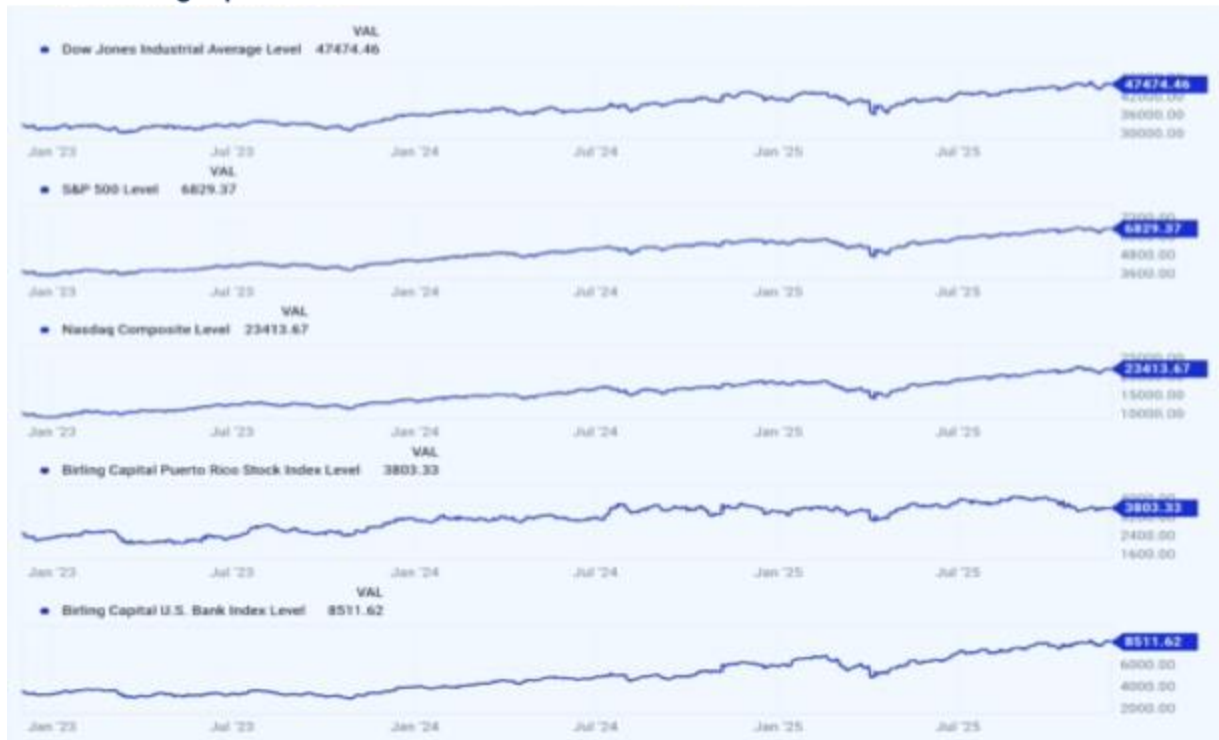


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