Stocks Rise for Fourth Session as U.S. 4.3% GDP Confirms Growth Resilience and Europe Reaches New Highs.

GLOBAL MARKET SQUARE
BIRLING CAPITAL ADVISORS, LLC

December 23, 2025

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The **U.S. and European stock markets closed with substantial gains as investors balanced a stronger-than-expected U.S. growth report a**gainst rising bond yields and late-year positioning ahead of the holidays. In the U.S., equities moved modestly lower in early trading, with sector performance mixed and leadership remaining concentrated in large-cap stocks. Treasury yields edged higher, while the U.S. dollar weakened against major currencies.

Wall Street rose for a fourth straight session on Tuesday, as artificial intelligence names continued to outperform during a holiday-shortened week.

The S&P 500 rose 0.46% closing near record levels, the Nasdaq gained 0.57%, after tech giants Broadcom and Nvidia rose north of 3% and the Dow Jones rose 79.73 points.
Traders continued to bet that **the Federal Reserve will lower its benchmark rate at least 3 times next year,** even after new economic data are well above expectations. The Commerce Department reported that the U.S. economy expanded at a 4.3% pace in the third quarter, well above the 3.5% GDPNow estimate.

U.S. markets digest robust GDP data
U.S. equities edged lower after the third-quarter GDP report showed the economy expanding at a 4.3% annualized pace, well above the GDPNow estimate of 3.5%. Communication services and utilities led sector gains, while consumer staples lagged. Small- and mid-cap stocks underperformed large-caps, reflecting a preference for balance-sheet strength and earnings visibility amid higher yields. In fixed income, the 10-year U.S. Treasury yield rose to 4.18%, pressuring rate-sensitive segments of the market.

Growth driven by consumers, labor market cooling gradually
The GDP report highlighted resilient consumer demand, with real personal consumption expenditures rising 3.5% across both goods and services. Exports and government spending also contributed positively, while the decline in domestic investment moderated relative to the prior quarter. Despite the strong growth backdrop, labor market indicators are still cooling at the margin. The unemployment rate has drifted higher to 4.6%. At the same time, job openings stand near 7.7 million, roughly matching the roughly 7.8 million unemployed, suggesting a gradual rebalancing rather than a sharp deterioration in employment conditions.

Rates reflect easing expectations, not tightening fears
Bond yields moved higher as markets continued to price in multiple Federal Reserve rate cuts over the coming year, with futures implying a faster easing path than the Fed's most recent guidance. In our view, the central bank is likely to remain data-dependent, potentially pausing early in the year to confirm sustained progress on inflation before resuming rate cuts later in 2026 to support a cooling labor market and broader financial conditions.

European equities close at record highs, led by healthcare
European markets closed higher in the final full session before Christmas, with the pan-European Stoxx 600 rising 0.3% to a new record and extending its year-to-date gain to approximately 16%, putting the index on track for a third consecutive annual advance. Healthcare stocks led the rally after Novo Nordisk surged more than 9% following FDA approval of the first GLP-1 weight-loss pill, strengthening its competitive position versus U.S. rival Eli Lilly. Shares of Zealand Pharma also advanced, while French biotech Abivax extended its strong run, adding nearly 4% after a sharp gain earlier in the week.

Global context
In Asia, markets finished higher after China's central bank held its key policy rate steady at 3.0%, in line with expectations. In commodities, WTI crude oil prices declined as investors weighed potential U.S. sales of Venezuelan crude from seized tankers against supply risks tied to renewed attacks on Russian energy infrastructure.

Economic Data:

- **US Real GDP QoQ:** rose to 4.30%, compared to 3.80% last quarter.
- **US Total Vehicle Sales:** rose to 15.93M, up from 15.63M last month, up 1.89%.
- **US Durable Goods New Orders MoM:** fell by -2.17%, compared to 0.65% last month.
- **US Industrial Production MoM:** rose to 0.17%, compared to -0.06% last month.
- **Richmond Fed Manufacturing Index:** is at -7.000, up from -15.00 last month.
- **US Retail Gas Price:** fell to $3.024, down from $3.07 last week.
- **Canada Real GDP MoM:** fell by -0.34%, compared to 0.24% last month.

Eurozone Summary:

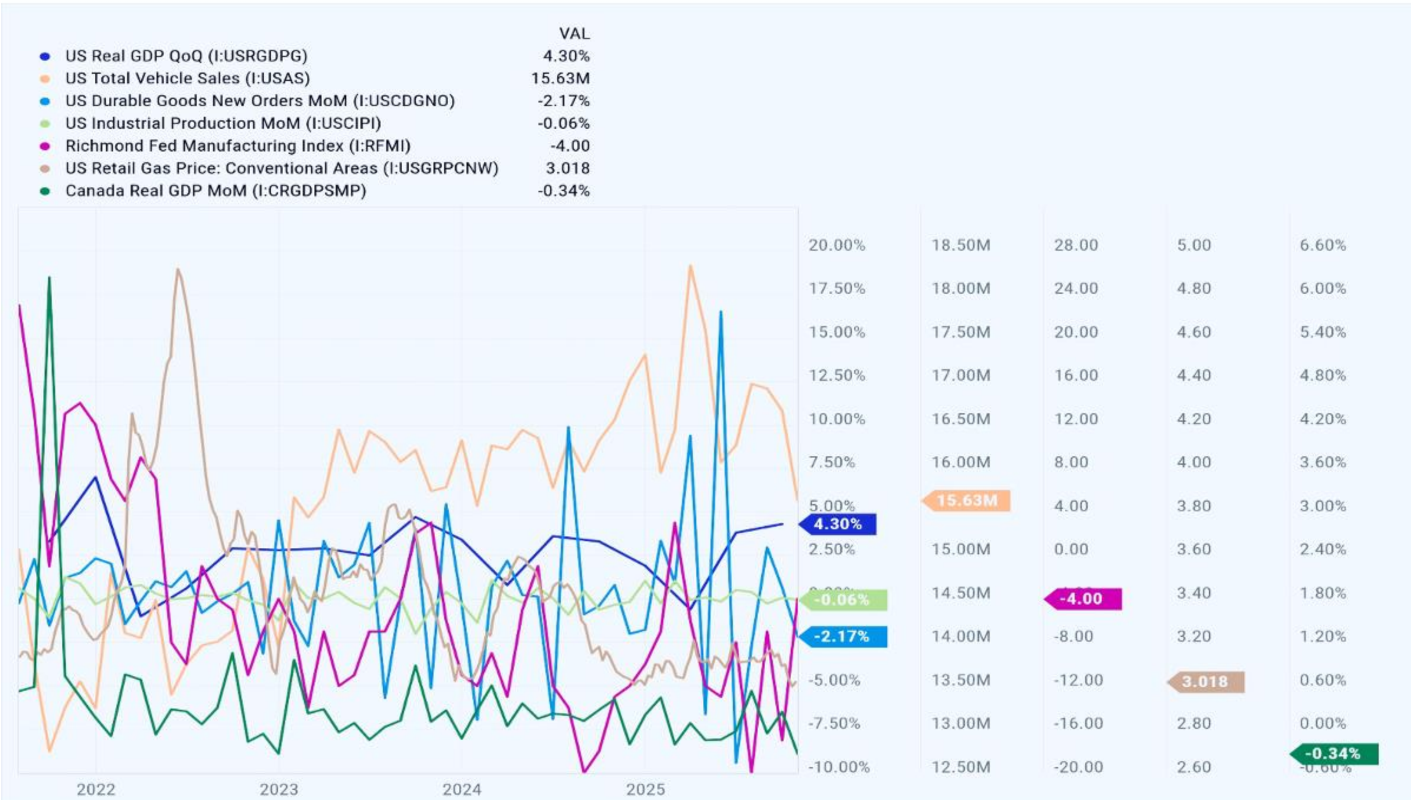
- **Stoxx 600:** Closed at 588.73, up 1.98 points or 0.34%.
- **FTSE 100:** Closed at 9,889.22, up 23.25 or 0.24%.
- **DAX Index:** Closed at 24,340.06, up 56.09 points or 0.23%.

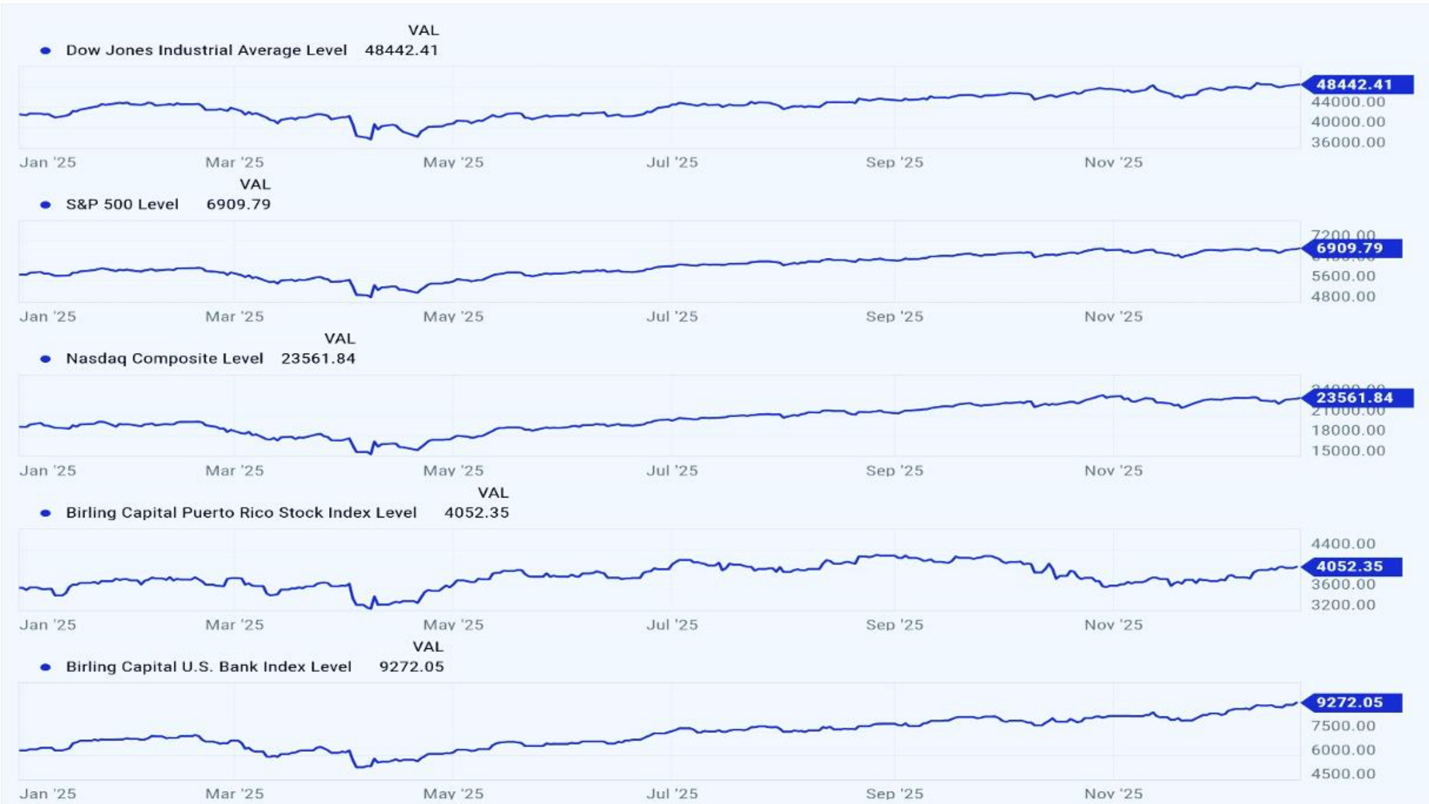
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 48,442.41, up 79.73 points or 0.16%.
- **S&P 500:** closed at 6,909.79, up 31.30 points or 0.46%.
- **Nasdaq Composite:** closed at 23,561.84, up 133.01 points or 0.57%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,052.35, up 23.81 points or 0.59%.
- **Birling Capital U.S. Bank Index:** closed at 9,272.05, up 142.28 points or 0.59%.
- **U.S. Treasury 10-year note:** closed at 4.18%.
- **U.S. Treasury 2-year note:** closed at 3.48%.

US Real GDP QoQ, US Total Vehcile Sales, US Durable Goods New Orders, US industrial Production,Richmond Fed Manufacturing Index, US Retail Gas Price & Canada Real GDP

www.birlingcapital.com




VAL
Dow Jones Industrial Average Level 48442.41
48442.41
44000.00
40000.00
36000.00
Jan '25
Mar '25
May '25
Jul '25
Sep '25
Nov '25
VAL
S&P 500 Level 6909.79
6909.79
5600.00
4800.00
VAL
Nasdaq Composite Level 23561.84
23561.84
18000.00
15000.00
VAL
Birling Capital Puerto Rico Stock Index Level 4052.35
4400.00
4052.35
3600.00
3200.00
VAL
Birling Capital U.S. Bank Index Level 9272.05
9272.05
7500.00
6000.00
4500.00