

GLOBAL MARKET SQUARE



Wall Street Stumbles as 2025 Kicks Off with Strong Turbulence and Mixed Global Markets Reflecting Uneven Momentum.

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The US and European stock markets began the first trading day of the year with mixed results. Wall Street stumbled on Thursday during a turbulent start to the new year, and the downward momentum that capped off 2024 carried into January. Leading the market lower was tech giant Apple, which dropped more than 3%. Tesla saw an even steeper decline, falling nearly 6% after reporting a drop in annual deliveries for 2024. However, there was a glimmer of positivity as chipmaker Nvidia rose 1.7%, partially counterbalancing losses from other major tech players.

Thursday's activity follows a robust but uneven 2024 for equities. The S&P 500 posted an impressive 23% gain for the year, yet it ended on a sour note with four consecutive losing sessions—the first time such a streak closed out a year since 1966.

Asia saw declines after December data revealed a slowdown in China's manufacturing activity. Meanwhile, bond yields fell, with the 10-year Treasury yield dipping to close at 4.57%. The US dollar extended its gains against major currencies, while commodities, including WTI oil and gold, traded higher.

Jobless Claims Show Stability Amid Labor Market Resilience

Initial jobless claims dropped to 211,000 last week, beating estimates of 220,000 and reflecting a four-week average of 223,000, consistent with 2024's trends. Continuing claims also declined to 1.84 million, below expectations of 1.89 million. These figures suggest a resilient labor market gradually stabilizing as employers reduce hiring without resorting to significant layoffs. With unemployment at 4.2%, well below the historical average of 5.7%, consumer spending will likely remain robust. Additionally, a cooling labor market may temper wage growth, helping to ease inflation pressures.

Improved Manufacturing Data Points to Economic Resilience

The Markit Manufacturing Purchasing Managers' Index (PMI) rose to 49.4 in December, exceeding forecasts and the preliminary reading of 48.3. While still below 50.0—indicating slight contraction—the trend shows improvement in recent months. Moreover, the services PMI, representing the bulk of economic activity, remains in expansion territory, signaling continued economic growth. These readings suggest that the US economy is navigating challenges with underlying resilience.

Key Economic Data:

- **US Initial Claims for Unemployment Insurance:** fell to 211,000, down from 220,000 last week, decreasing -4.09%
- **US 4-Week Moving Average of Initial Claims for Unemployment Insurance:** fell to 223,250, down from 226,750 last week, decreasing -1.54%.
- **US Construction Spending MoM:** fell to 0.02%, compared to 0.46% last month.
- **30-Year Mortgage Rate:** rose to 6.91%, compared to 6.85% last week.

Eurozone Summary:

- **Stoxx 600:** Closed at 510.67, up 3.49 points or 0.69%.
- **FTSE 100:** Closed at 8,260.09, up 87.07 points or 1.07%.
- **DAX Index:** Closed at 20,024.66, up 115.52 or 0.58%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,392.27, down 151.95 points or 0.36%.
- **S&P 500:** closed at 5,868.55, down 13.08 points or 0.22%.
- **Nasdaq Composite:** closed at 19,280.79, down 30.00 points or 0.16%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,638.46, down 1.61 points or 0.04%.
- **Birling Capital US Bank Stocks Index:** closed at 6,266.47, down 1.74 points or 0.03%.
- **US Treasury 10-year note:** closed at 4.57%.
- **US Treasury 2-year note:** closed at 4.25%.



US Initial Claims for Unemployment, US 4-Week Moving Average of Initial Claims for Unemployment



US Construction Spending & 30-Year Mortgage Rate



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