Wall Street Breaks New Ground as the Dow Clears 49,000 and Global Equities Advance Ahead of Labor Data.

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The **U.S. and European equity markets closed higher** Tuesday, as investors navigate a quiet economic calendar while positioning ahead of a heavy slate of labor-market data later in the week. **The Dow Jones closed for the first time in history above 49,000, closing at 49,462.08 points, the S&P 500 reached another all-time high at 6,944.82, and the Nasdaq closed up 0.64%.**

Asian markets closed mostly higher, extending recent momentum amid stable regional macro conditions. European closed higher, supported by firm commodity prices and a generally constructive risk backdrop.

In fixed income, Treasury yields are stable, with the **10-year U.S. yield closing at 4.18% and the 2-year yield at 3.47%**. Commodity markets are firmer, with oil, gold, and silver advancing as investors continue to assess evolving geopolitical dynamics involving the U.S. and Venezuela.

Eurozone Markets Update

European equity markets closed broadly higher on Tuesday, with several benchmarks hitting record highs as investors weighed constructive earnings and sector momentum against heightened geopolitical headlines following the U.S.-led removal of Venezuelan leader Nicolás Maduro.

The STOXX Europe 600 ended the session up 0.6%, with gains spread across most regional bourses. The index traded at an all-time high during the session. Spain's IBEX 35 also reached record territory in early trade, extending momentum after closing at a historic high in the prior session.

Single-stock performance was led by logistics firm InPost, which surged 26.8% to top the STOXX 600 after confirming receipt of an indicative proposal to acquire all outstanding shares. The company cautioned that there is no assurance a transaction will ultimately materialize.

Technology and semiconductor stocks continued to lead the market at the start of the year, supported by sustained AI-driven demand. Dutch chip-equipment names were notable outperformers, with ASMI rising 7.8% and BESI gaining 4.7%.

In healthcare, shares of Danish pharmaceutical heavyweight Novo Nordisk closed nearly 5% higher, trimming earlier gains following the U.S. launch of its Wegovy weight-loss treatment. The move builds on momentum from the prior session, when the stock also advanced approximately 5%.

On the geopolitical front, European leaders pushed back against renewed remarks by President Trump regarding the annexation of Greenland, emphasizing collective security in the Arctic. Officials reiterated that the Kingdom of Denmark, including Greenland, is a NATO member and that regional security must be addressed multilaterally.

Overall, European equities continue to exhibit strong early-year momentum, supported by sector leadership in technology and healthcare, improving corporate developments, and resilient risk appetite despite elevated geopolitical noise.

Labor-market data takes center stage.

Investors focus now turns to a concentrated series of labor-market releases. Wednesday brings the December ADP employment report and November JOLTS job openings data. Friday's

December employment report is expected to show the unemployment rate easing to 4.5%, with nonfarm payrolls increasing by approximately 60,000.
Labor conditions continued to cool through 2025, with average monthly payroll growth of roughly 55,000 during the first eleven months, down sharply from the 168,000 average pace in 2024. Importantly, slower hiring has not translated into broad layoffs. The unemployment rate remains historically low at 4.6%, while weekly initial jobless claims averaged just 226,000 in 2025—well below long-term norms.
Looking ahead, we expect job growth to remain positive but subdued in 2026, likely averaging between 50,000 and 100,000 per month. At the same time, immigration policy constraints may limit labor-supply growth, helping keep the unemployment rate broadly stable near current levels.

U.S. equities enter historically rare territory
The S&P 500 rose 16.39% in price terms in 2025, marking the third consecutive year of double-digit gains. Since 1950, only four prior periods have produced three-year streaks as long as this one. Historically, the fourth year has generated modest average returns of approximately 1.5%.
Despite that precedent, we see a more constructive setup for 2026. S&P 500 earnings are expected to grow by nearly 15%, which could support equity performance even if valuation multiples remain unchanged. Steady economic growth, easing monetary policy, and modest fiscal support should continue to underpin corporate profitability.
That said, elevated index concentration reinforces the importance of diversification. In this environment, we favor a globally diversified approach to maintaining an overweight to equities relative to bonds, with sector and regional balance playing a critical role in portfolio outcomes.

U.S. Macro Snapshot – 2025
The 2025 economic backdrop reflects a clear transition toward normalization, marked by easing inflation, moderating growth, and a labor market that is cooling but remains functional. Inflation metrics have converged into a narrow band, with CPI at 2.68%, Core CPI at 2.60%, PCE at 2.79%, and Core PCE at 2.83%, signaling that disinflation has largely run its course and price pressures are stabilizing near the Federal Reserve's comfort zone.
·Growth remains positive but is decelerating, as GDPNow for the fourth quarter points to a 2.70% pace, consistent with late-cycle expansion rather than overheating. Labor conditions show early signs of softening, with the unemployment rate rising to 4.60%, reflecting normalization from historically tight levels rather than systemic weakness.
·At the same time, underlying sentiment remains fragile. The manufacturing PMI at 48.20 continues to signal contraction in the industrial sector, while consumer sentiment at 52.90 remains subdued, underscoring the disconnect between resilient macro-outcomes and household confidence. Taken together, the data portray an economy that is slowing in an orderly manner—less inflationary, still growing, but increasingly reliant on confidence and productivity gains to sustain momentum.

Economic Update:

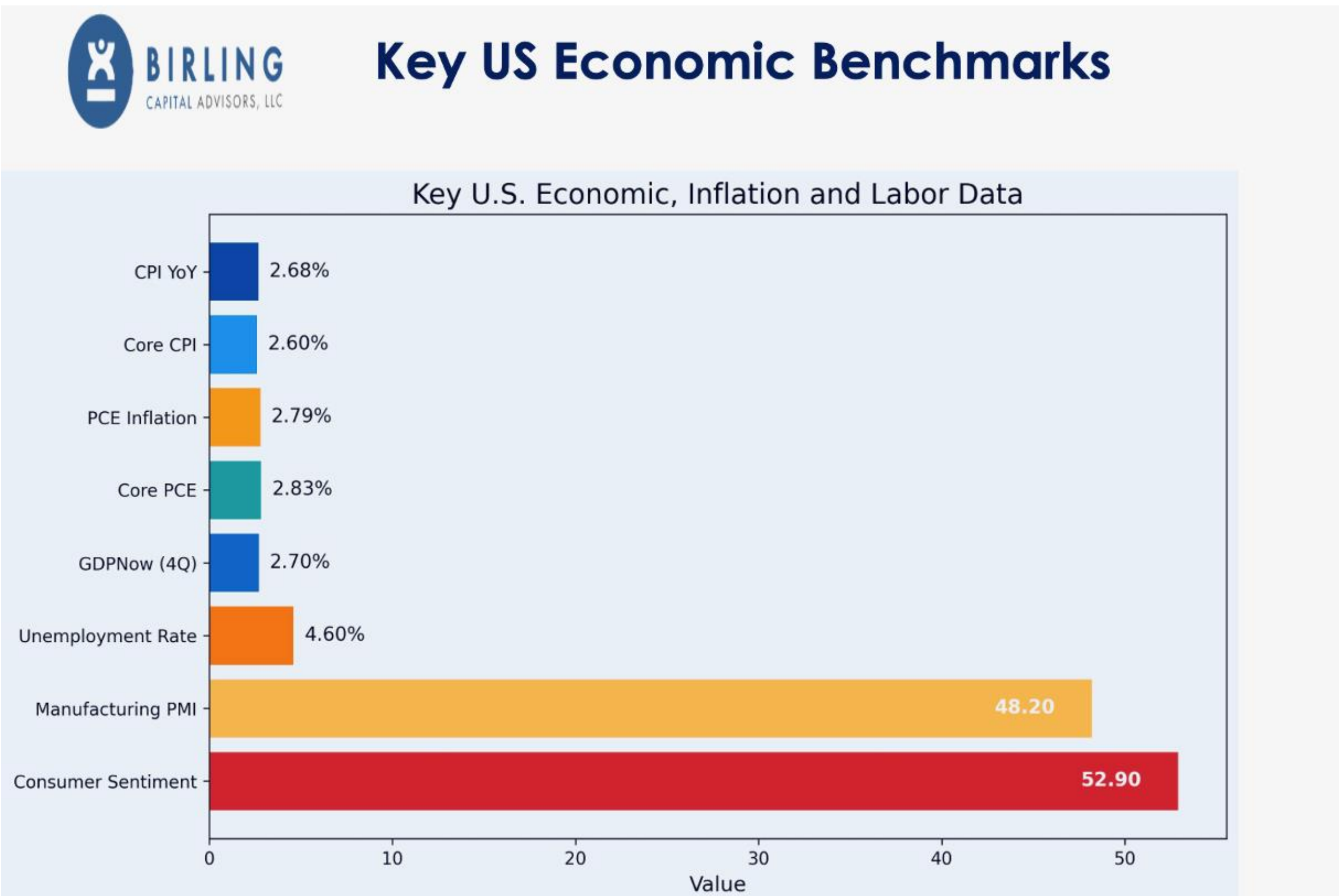
- **U.S. ISM Services PMI**: rose to 52.60, up from 52.40 last month and up 0.38%.
- **U.S. ISM Services New Orders Index:** fell to 52.90, down from 56.20 last month
- **U.S. ISM Services Employment Index:** rose to 48.90, up from 48.20 last month.
- **U.S. ISM Services Prices Paid Index**: fell to 65.40, down from 70.00 last month.
- **U.S. Retail Gas Price:** fell to $2.94, down from $2.97 last week.
- **Germany Consumer Price Index YoY:** fell to 1.80%, down from 2.30% last month.

Eurozone Summary:

- **Stoxx 600:** closed at 605.28, up 3.52 points or 0.58%.
- **FTSE 100:** closed at 10,122.73 up 118.16 or 1.18%.
- **DAX Index:** closed at 24,882.20, up 23.51 or 0.09%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 49,462.49 up 484.90 points or 0.99%.
- **S&P 500:** closed at 6,944.82, up 42.77 points or 0.62%.
- **Nasdaq Composite:** closed at 23,547.17, up 151.35 points or 0.65%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,057.37, up 85.60 points or 2.16%.
- **Birling Capital U.S. Bank Index**: closed at 9,598.14, up 245.11 points or 2.62%.
- **U.S. Treasury 10-year note**: closed at 4.18%.
- **U.S. Treasury 2-year note:** closed at 3.47%.



ISM Services PMI, ISM Services New Orders Index, ISM Services Employment Index and ISM Services Paid Index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Dow Jones Industrial Average Level 49462.08
S&P 500 Level 6944.82
Nasdaq Composite Level 23547.17
Birling Capital Puerto Rico Stock Index Level 4057.37
Birling Capital U.S. Bank Index Level 9598.14
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