



## Wall Street Readies for Next Week's 'Magnificent 7' Earnings; AutoNation and Aon Deliver Upside Surprises Amid Trade Tensions and Manufacturing Push.

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The U.S. and European stock markets closed with mixed results as Wall Street enters a pivotal stretch, with the second-quarter earnings season gaining full momentum. Investors are bracing for a heavy slate of tech megacap reports next week, with *Amazon*, *Apple*, *Meta Platforms*, and *Microsoft*, four pillars of the so-called "Magnificent 7", set to release their financial results.

European equities closed in the red as EU and U.S. officials work through complex trade negotiations, and Asian markets closed broadly lower.

Today, we highlight AutoNation Inc. (AN) and Aon PLC (AON), which reported results that beat expectations, both closed higher.

AutoNation posted Q2 revenues that rose 8%, with EPS of \$2.26, beating estimates despite a 34% decline in net income. Aon PLC (AON) delivered strong Q2 results with revenues up 11% and net income up 10%, as EPS rose to \$2.66, beating forecasts.

Some 82% of S&P 500 companies that have already reported have surpassed earnings expectations, with a surprise margin of 6.2%. Full-year earnings for 2025 are now projected to grow by 9.0%.

### Markets and Sectors: Rotation in Focus

Bond markets remain relatively calm, with the 10-year U.S. Treasury yield closing at 4.40%, well below its recent high of nearly 4.60% in May.

In the energy space, WTI crude oil prices are retreating amid speculation that U.S. companies may soon resume limited operations in Venezuela, adding incremental supply to a still-fragile global market.

### Economic Data: Durable Goods Soft, but Manufacturing Steadies

New orders for U.S.-manufactured durable goods fell 9.3% in June, a shallower drop than the 11.0% decline expected. The headline figure was weighed down by a 22.4% fall in transportation equipment orders, reversing a sharp 16.5% gain in May driven by aircraft contracts. Notably, excluding the volatile transportation segment, core orders rose 0.2%, suggesting underlying resilience.

This data, along with broader indicators, supports the view that the U.S. manufacturing sector is gradually regaining its footing. Continued stabilization in this area could significantly contribute to economic and labor market strength throughout the second half of 2025.

### GDPNow:

- **The GDPNow** for the second quarter was updated today and is unchanged at 2.40% GDP.

## Corporate Earnings Parade:

1. **AutoNation Inc (AN)** reported 2Q25 revenues of \$6.974 billion, up 8%, net income of \$86.4 million, down 34%, and earnings per share of \$2.26, beating estimates. AN has a stock price target of \$209.59, and closed at \$203.25, up \$3.02.
2. **Aon PLC (AON)** reported 2Q25 revenues of \$4.155 billion, up 11%, net income of \$579 million, up 10%, and earnings per share of \$2.66, beating estimates. AON has a stock price target of \$397.44, and closed at \$372.89, up \$16.18.

## Economic Data:

- **U.S. Durable Goods New Orders MoM:** fell -9.34%, compared to 16.50% last month.
- **U.S. Durable Goods Excluding Transportation New Orders MoM:** fell 0.24%, compared to 0.59% last month.
- **Germany Ifo Business Climate Index:** rose to 88.60, up from 88.40 last month.
- **Germany Ifo Business Expectations Index:** rose to 90.70, up from 90.60 last month.
- **Germany Ifo Business Situation Index:** rose to 86.50, up from 86.20 last month.
- **UK Retail Sales YoY:** rose to 1.70%, compared to -1.10% last month.
- **Japan Business Conditions Composite Coincident Index:** is at 116.00, unchanged from 116.00 last month.

## Eurozone Summary:

- **Stoxx 600:** Closed at 549.95, down 1.60 points or 0.29%.
- **FTSE 100:** Closed at 9,120.31, down 18.06 points or 0.20%.
- **DAX Index:** Closed at 24,217.50, down 78.43 points or 0.32%.

## Wall Street Summary:

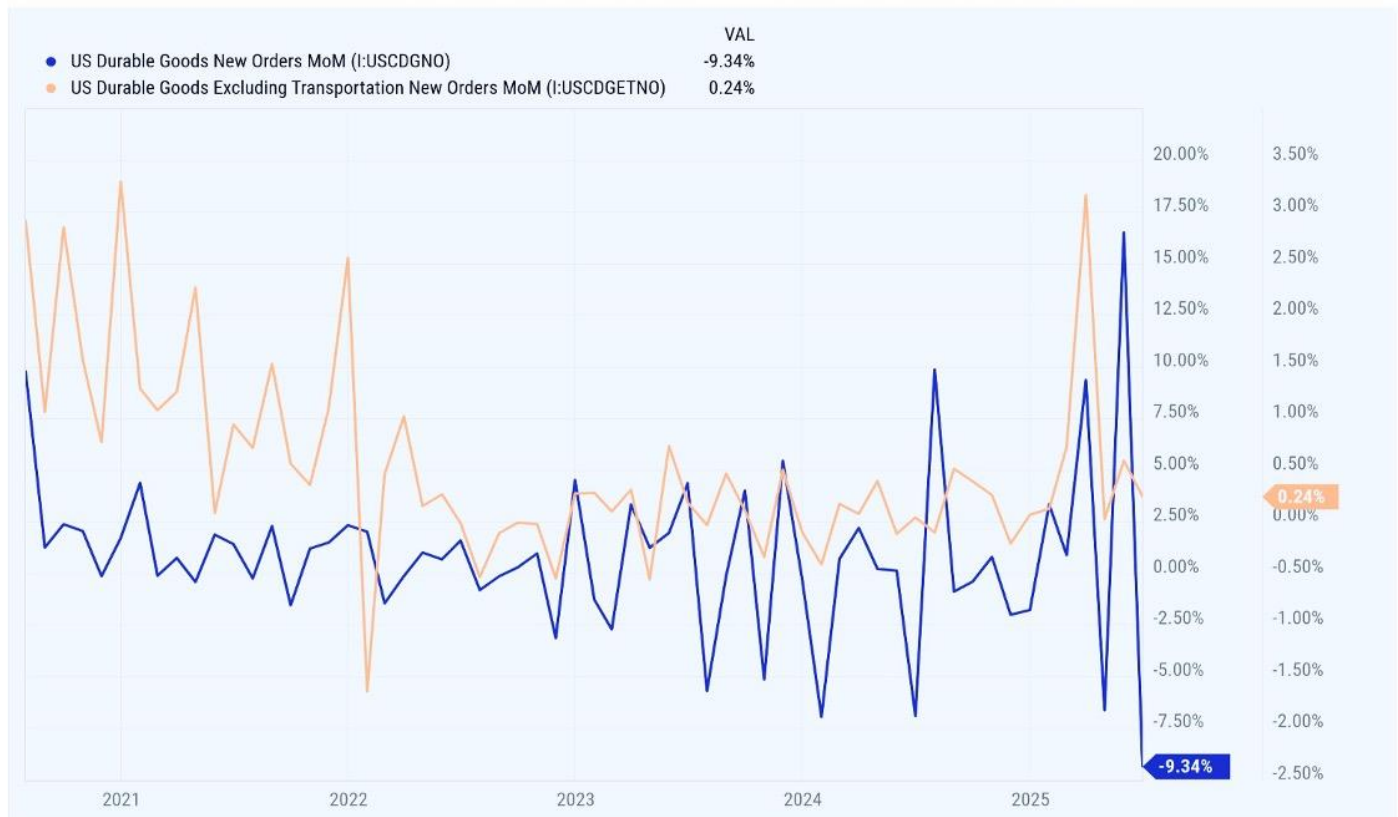
- **Dow Jones Industrial Average:** closed at 44,901.92, up 208.01 points or 0.47%.
- **S&P 500:** closed at 6,388.64, up 25.29 points or 0.40%.
- **Nasdaq Composite:** closed at 21,108.32, up 50.36 points or 0.24%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,977.38, down 78.64 points or 1.84%.
- **Birling Capital U.S. Bank Index:** closed at 7,738.35, up 5.00 points or 0.06%.
- **U.S. Treasury 10-year note:** closed at 4.40%.
- **U.S. Treasury 2-year note:** closed at 3.91%.

## GDPNow 2Q25

Date	GDPNow 2Q25	Change
4/30/25	2.40%	Initial Forecast
5/1/25	1.10%	-54.17%
5/6/25	2.20%	100.00%
5/8/25	2.30%	4.55%
5/15/25	2.50%	8.70%
5/16/25	2.40%	-4.00%
5/27/25	2.20%	-8.33%
5/30/25	3.80%	72.73%
6/2/25	4.60%	21.05%
6/5/25	3.80%	-17.39%
6/9/25	3.80%	0.00%
6/17/25	3.50%	-7.89%
6/18/25	3.40%	-2.86%
6/27/25	2.90%	-14.71%
7/1/25	2.50%	-13.79%
7/3/25	2.60%	4.00%
7/9/25	2.60%	0.00%
7/18/25	2.40%	-7.69%
7/25/25	2.40%	0.00%



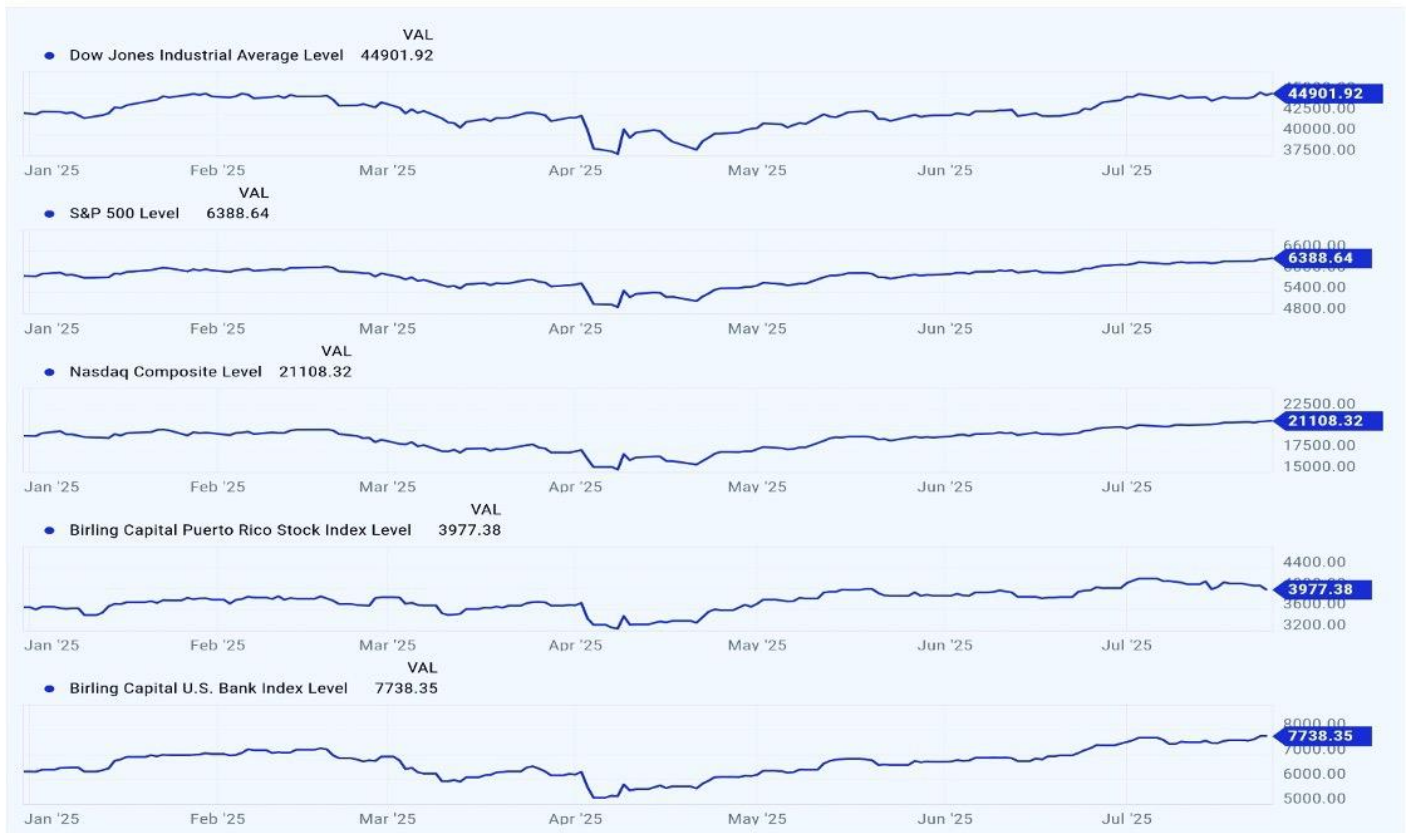
# US Durable Goods New Orders & US Durable Goods Excluding Transportation New Orders



# Germany Ifo Business Climate Index, Germany Ifo Business Expectations Index, Germany Ifo Business Situation Index, UK Retail Sales & Japan Business Conditions







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