

Wall Street in Tech Mode, GDPNow Climbs to 2.9%, JetBlue Outpaces Expectations.

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The U.S. and European stock markets closed with mixed results, with **technology stocks continuing to drive the momentum** ahead of this week's heavy slate of earnings from the **Magnificent 7**, including **Apple**, **Amazon**, **Microsoft**, **and Meta**.

The **Nasdaq rose 0.5%**, marking yet another all-time high, while the **S&P 500 edged up 0.2%** and the **Dow Jones remained flat** in early trading.

European equities posted gains in the wake of the newly announced **U.S.-EU trade accord**. At the same time, **Asian and emerging markets slipped**, weighed down by weaker sentiment and unresolved regional trade issues. The **U.S. dollar appreciated against a trade-weighted basket**, extending yesterday's gains, though it remains **down nearly 9% YTD**. **Treasury yields dipped slightly**, with the **10-year note falling to 4.xx%**, as investors positioned ahead of tomorrow's GDP report. **Oil prices rose 1%**, although they remain firmly within the **\$65-\$70 per barrel range**.

JetBlue Beats on Revenue, Still Posts Loss

Among stocks of local interest, **JetBlue Airways (JBLU)** reported **second-quarter 2025 results** that outpaced expectations, despite continued operational challenges. The airline generated **\$2.179 billion in revenue**, a **3.8% decline**, with a **net loss of \$74 million**. The company is managing through tariff-related pressures on fuel and parts costs.

Economic Pulse: Trade Distortions Mask Slowing Growth

Investors are bracing for a flurry of key data releases and corporate earnings this week, which will serve as a **temperature check on the U.S. economy** mid-year. **June trade data** revealed a **sharper-than-expected narrowing of the trade deficit**, primarily driven by a **steep drop in imports**. Corporations had previously **front-loaded foreign purchases** ahead of rising tariffs, but now appear to be **burning through inventory**, with **imports now 10% below early 2025 levels**.

This inventory correction is expected to lift second-quarter GDP, with the GDPNow forecasting a rebound to 2.9% growth. However, beneath that headline, the underlying pace of expansion appears to have slowed to around 1% annualized, due to the weight of trade distortions and persistent policy uncertainty.

Fresh data reinforces signs of softening. Job opening declined to 7.437 million, down 3.57%, pointing to weakening labor demand. Home prices are also losing steam, with the Case-Shiller Composite 20 Index growing 3.39% YoY, compared to 4.07%, and the national index falling to 327.90 from 329.25. Meanwhile, consumers are seeing some relief at the pump, with the average retail gas price falling slightly to \$3.246 per gallon, down 0.25% from the prior week.

While headline growth may benefit from temporary trade and inventory effects, the broader economic picture suggests momentum is cooling as the second half of 2025 unfolds.

Countdown to August 1: Trade Diplomacy on the Clock

While last week's high-profile agreements with the **EU and others** have helped restore investor confidence, **the race to the August 1 tariff deadline continues** for several key trading partners. Talks with **Canada remain difficult**, with President Trump and Canadian officials both signaling few breakthroughs. Canada is reportedly **pushing for sector-specific exemptions** on U.S. tariffs for **autos**, **steel**, **aluminum**, **and copper**, even as it concedes that some increase in tariffs is inevitable.

Elsewhere, **U.S. Trade Representative Greer** warned that time is running out to reach new terms with **India**, while **negotiations with Cambodia and Thailand have resumed**. Meanwhile, **Treasury Secretary Bessant** is in Stockholm for a second day of discussions with the **Chinese delegation**, with the U.S. reportedly willing to **extend the trade deadline by 90 days** if China agrees to **major purchases of U.S. goods**.

GDPNow:

• The **GDPNow** for the second quarter was updated today, rising to **2.90% GDP** and an increase of **20.83%** from the previous reading of 2.40%.

Corporate Earnings Parade:

• **JetBlue Airways Corp (JBLU):** reported 2Q25 results that beat expectations with revenues of \$2.179 billion, down 3.8% and a net loss of (\$74 million) with Loss Per Share of (\$0.21). JBLU has a stock price objective of \$4.14.

Economic Update:

- **U.S. Job Openings: Total Nonfarm:** fell to 7.437 million, down from 7.712 million, decreasing by 3.57%.
- Case-Shiller Composite 20 Home Price Index YoY: fell 3.39%, compared to 4.07% last month.
- Case-Shiller Home Price Index: National: fell to 327.90, down from 329.25 last month.
- U.S. Retail Gas Price: fell to \$3.246, down from \$3.254 last week, a decrease of 0.25%.

Eurozone Summary:

- **Stoxx 600:** Closed at 550.36, up 1.60 points or 0.29%.
- **FTSE 100:** Closed at 9,136.22, up 54.88 points or 0.60%.
- **DAX Index:** Closed at 24,217.37, up 247.01 points or 1.03%.

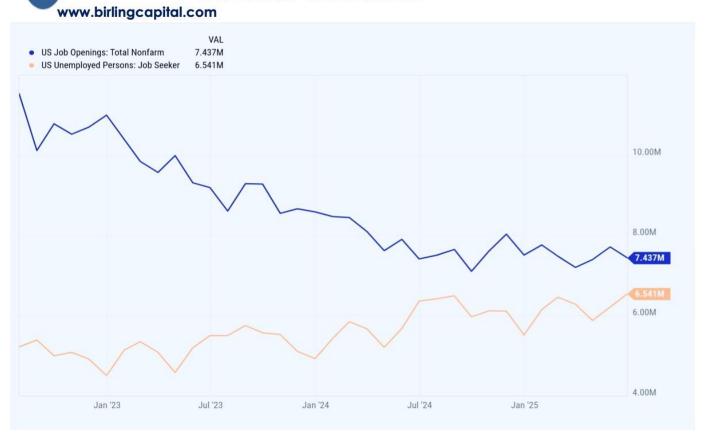
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,632.99, down 204.57 points or 0.46%.
- **S&P 500:** closed at 6,370.86, down 18.91 points or 0.30%.
- Nasdaq Composite: closed at 21,108.32, down 80.29 points or 0.38%.
- Birling Capital Puerto Rico Stock Index: closed at 4,021.30, up 12.00 points or 0.30%.
- Birling Capital U.S. Bank Index: closed at 7,739.90, down 47.41 points or 0.61%.
- U.S. Treasury 10-year note: closed at 4.34%.
- U.S. Treasury 2-year note: closed at 3.86%.



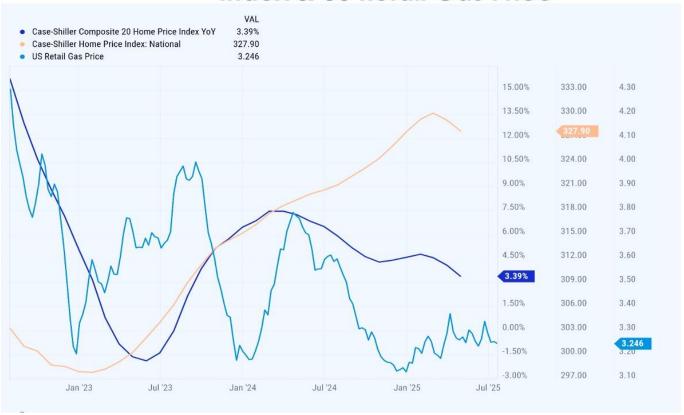
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Date	GDPNow 2Q25	Change
4/30/25	2.40%	Initial Forecast
5/1/25	1.10%	-54.17%
5/6/25	2.20%	100.00%
5/8/25	2.30%	4.55%
5/15/25	2.50%	8.70%
5/16/25	2.40%	-4.00%
5/27/25	2.20%	-8.33%
5/30/25	3.80%	72.73%
6/2/25	4.60%	21.05%
6/5/25	3.80%	-1 7.39%
6/9/25	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%
7/29/25	2.90%	20.83%





Case-Shiller Composite 20 Home Price Index, Case-Shiller Home Price Index & US Retail Gas Price



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