

U.S. 2Q GDP Rebounds to 3%, UBS Net Income Surges 41.54%, Fed Left Rates Unchanged, Stating Not Ready to Lower Rates, and Wall Street Falls.

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The U.S. and European stock markets closed with mixed results. On Wall Street early in the trading session, investors welcomed a solid rebound in U.S. GDP and strong earnings from UBS. However, the markets turned negative, except the Nasdaq, which closed down **after the Fed left rates unchanged**. **Fed Chair Powell** struck a cautious tone, **offering no commitment to a rate cut** in September. While acknowledging slowing growth, Powell emphasized that policy remains "well positioned" to respond to evolving conditions. He also flagged uncertainty over President Trump's tariffs, noting the Fed is monitoring whether they could reignite inflation pressures.

For the first time in over three decades, **a notable split emerged** within the Federal Open Market Committee, **as Fed Governors Christopher Waller and Michelle Bowman dissented** from the consensus, **advocating for an immediate 25-basis-point rate cut**. Their rare opposition marks the first instance since 1993 where multiple sitting governors voted against the majority on a key interest rate decision.

Bond yields ticked upward across the curve, and the dollar strengthened for a fifth consecutive session, reflecting a flight to quality as macro crosscurrents intensify.

UBS Delivers a Strong Beat

Swiss banking giant **UBS Group AG (UBS)** reported better-than-expected second-quarter results, highlighting continued resilience in the European financial sector. Revenues totaled \$12.11 billion, and net income increased by 41.54%. UBS reaffirmed its strategic footing, signaling investor confidence in its post-Credit Suisse integration efforts and wealth management engine.

GDP Rebounds, But Growth Beneath the Surface is Tepid

Preliminary U.S. GDP data showed a 3.0% annualized expansion in Q2, marking a strong recovery from the -0.5% contraction last quarter. But when excluding the boost from trade and inventory adjustments, core domestic demand only grew 1.1%, a deceleration from Q1's 1.5% pace. Caution among consumers and businesses remains evident, and early signs of tariff drag are beginning to materialize in capital expenditure and retail categories. Despite this, the employment picture improved, with **the ADP Employment Change** rising to 104,000 from a decrease in June.

Other economic signals remained mixed, with the **U.S. Pending Home Sales** falling 2.83% YoY, erasing last month's gain, and **Total Vehicle Sales** also slipped to 15.78 million units, a 1.71% monthly decline, indicating softening in high-ticket consumer demand.

Corporate Earnings Parade:

- **UBS Group AG (UBS):** reported 2Q25 results that beat expectations with revenues of \$12.112 billion, down 3.54% and a net income of \$2.395 billion, increasing 41.54%. Achieved an Earnings Per Share of \$0.72 with a Tier 1 Capital Ratio of 14.40%. UBS had a stock price objective of \$35.10. For further reading check our report on UBS: [UBS Overview](#)

Economic Update:

- **U.S. Real GDP QoQ:** rose to 3.00%, compared to -0.50% last quarter.
- **ADP Employment Change:** rose to 104,000, up from -23,000 last month.
- **ADP Median Pay YoY:** fell to 4.40%, compared to 4.50% last month.
- **U.S. Total Vehicle Sales:** fell to 15.78 million, down from 16.05 million in the previous month, representing a 1.71% decrease.
- **U.S. Pending Home Sales YoY:** fell -2.83%, compared to 1.11% last month.
- **Target Federal Funds Rate Upper Limit:** is at 4.50%, compared to 4.50% yesterday.
- **Eurozone Consumer Confidence Indicator:** is at -14.70, up from -15.30 last month.
- **Eurozone Economic Sentiment Indicator:** rose to 95.80, up from 94.20 last month, increasing 1.70%.
- **Germany Real GDP YoY:** is at -0.20%, compared to -0.40% last quarter.
- **Japan Consumer Confidence Index:** rose to 34.50, up from 32.80 last month, increasing 5.18%.
- **Japan Industrial Production Index MoM:** is at -0.10%, compared to -1.07% last month.
- **China PMI:** rose to 49.70, up from 49.50 last month.
- **China Non-Manufacturing PMI:** rose to 50.50, up from 50.30 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 550.24, down 0.12 points or 0.02%.
- **FTSE 100:** Closed at 9,136.94, up 0.62 points or 0.01%.
- **DAX Index:** Closed at 24,262.22, up 44.85 points or 0.19%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,461.28, down 171.71 points or 0.38%.
- **S&P 500:** closed at 6,362.90, down 7.96 points or 0.12%.
- **Nasdaq Composite:** closed at 21,129.67, up 31.38 points or 0.154%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,022.96, up 1.67 points or 0.04%.
- **Birling Capital U.S. Bank Index:** closed at 7,728.55, down 11.35 points or 0.15%.
- **U.S. Treasury 10-year note:** closed at 4.38%.
- **U.S. Treasury 2-year note:** closed at 3.94%.

GDPNow	US GDP Forecast	US GDP Actual	Change	Updated
July	2.90%	3.00%	3.45%	7.30.25



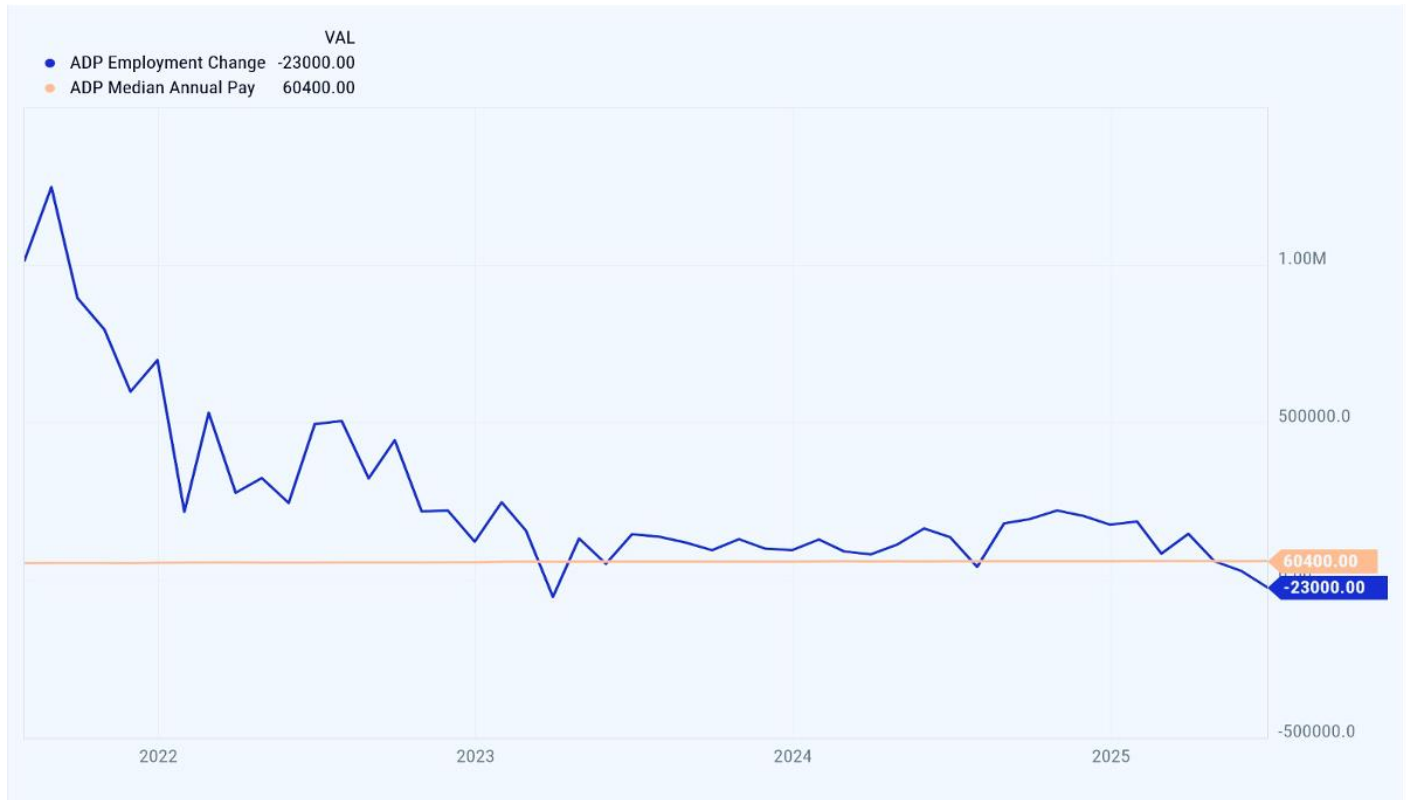
US Real GDP, US Total Vehicle Sales & US Pending Home Sales





ADP Employment Change & ADP Median Annual Pay

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Wall Street Recap

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