



## GLOBAL MARKET SQUARE



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# Outside Earnings from Apple, Evertec, Microsoft, and Meta, Fail to Sway Markets, Investors Concerned Over Fed Caution and Trade Turbulence.

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The U.S. and European stock markets closed lower across the board as the positive earnings from Microsoft and Meta **could not sustain the markets' upward momentum**.

Wall Street pulled back hard on Thursday, as widespread market weakness outweighed stellar earnings from tech leaders **Microsoft** and **Meta**. The **S&P 500** fell 0.37%, marking its third consecutive loss. The **Nasdaq Composite** dipped 0.03% after briefly setting a new intraday high, while the **Dow Jones Industrial Average** slid 330 points.

The investors' concern over Fed Chair **Jerome Powell's statement** that the effects of President Trump's tariff policies are increasingly visible in inflation data, signaling that they may be delaying any decision on rate cuts. In his post-meeting press conference, Powell warned: "**Higher tariffs have begun to show through more clearly into prices of some goods**", but stressed that it remains unclear whether this will result in persistent inflation or one-time price hikes.

The day's action reflected a growing divergence: blockbuster results from megacap tech continued to power selective gains, but investor caution prevailed amid mixed economic data, tariff uncertainty, and positioning ahead of Friday's key payrolls report.

### AI-Driven Tech Surge—and Evertec—Power Strong Earnings Parade

Robust earnings across the tech sector bolstered investor confidence. **Meta Platforms** beat Q2 revenue estimates and issued a bullish Q3 forecast, driven by renewed digital ad momentum and heavy AI infrastructure spending. **Microsoft** announced plans to invest \$30 billion this quarter in AI data centers, with analysts noting its top-line results reflect early returns from these efforts. **Apple** delivered a strong third-quarter performance, with **revenue rising 9.62%, its biggest jump since 2021**.

Meanwhile, **Puerto Rico's Evertec Inc. (EUTC)** delivered a strong beat, reporting **second-quarter revenues of \$229.61 million, up 8%, and net income up 7%**.

In contrast, **Ford Motor Co.** flagged a sharp decline in profits due to new tariffs. Trade policy headlines intensified as President Trump imposed a 15% levy on South Korea and a steeper 25% tariff on India, while signaling progress on deals with Taiwan, Thailand, and Cambodia. The administration also exempted **refined copper** from a planned 50% tariff, triggering a swift drop in copper futures.

### Eyes on Payrolls as Consumer Spending Remains Tepid

Economic data reflected continued consumer caution. **Personal consumption** rose just 0.1% in June, following a 0.2% dip in May. **Core PCE inflation** rose 0.3% month-over-month, as expected, while core goods prices accelerated at a 2.3% annualized pace—suggesting tariffs are beginning to pressure consumer prices.

On the jobs front, **initial claims** remain low, but the July **Challenger report** revealed a surge in planned layoffs, raising red flags. With the **July payrolls report due Friday**, markets are watching closely. Fed Chair Powell has signaled that labor market stress will play a key role in future rate policy. Traders currently assign a 40% probability to a September rate cut—momentum that could shift rapidly depending on the outcome on Friday.

#### GDPNow:

- The Initial **GDPNow** for the third quarter is at **2.30% GDP**.

#### Corporate Earnings Parade:

- **Evertec, Inc. (EVTC):** reported 2Q25 results that beat expectations with revenues of \$229.61 million, up 8% and a net income of \$57.71 million, increasing 7%. Achieved Earnings Per Share of \$0.89 with a stock price objective of \$38.60. View of our Evertec Report: [EVTC Overview](#)
- **Apple, Inc. (AAPL):** reported 3Q25 results that beat expectations with revenues of \$94.036 billion, up 9.62% and a net income of \$23.434 billion, increasing 9.25%. Achieved Earnings Per Share of \$1.57 with a stock price objective of \$230.18. View of our report on Apple: [AAPL Overview](#)

#### Economic Update:

- **U.S. PCE Price Index YoY:** rose to 2.58%, compared to 2.42% last month.
- **U.S. Core PCE Price Index YoY:** rose to 2.79%, compared to 2.76% last month.
- **U.S. Initial Claims for Unemployment Insurance:** rose to 218,000, up from 217,000 last week, up 0.46%.
- **U.S. Personal Income MoM:** rose to 0.28%, compared to -0.39% last month.
- **U.S. Personal Spending MoM:** rose to 0.34%, compared to -0.03% last month.
- **30-Year Mortgage Rate:** fell to 6.74%, compared to 6.75% last week.
- **Canada Real GDP MoM:** is unchanged -0.05%, compared to -0.05% last month.
- **Eurozone Unemployment Rate:** is at 6.30%, compared to 6.20% last month.
- **Germany Consumer Price Index YoY:** is unchanged at 2.00%, compared to 2.00% last month.
- **Germany Unemployment Rate:** is at 6.30%, compared to 6.20% last month.
- **Japan Housing Starts YoY:** is at -15.59%, compared to -34.41% last month.

#### Eurozone Summary:

- **Stoxx 600:** Closed at 546.11, down 4.13 points or 0.75%.
- **FTSE 100:** Closed at 9,132.81, down 4.13 points or 0.05%.
- **DAX Index:** Closed at 24,065.47, down 196.75 points or 0.81%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,130.98, down 330.30 points or 0.74%.
- **S&P 500:** closed at 6,339.39, down 23.51 points or 0.37%.
- **Nasdaq Composite:** closed at 21,122.45, down 7.23 points or 0.03%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,955.54, down 67.42 points or 1.68%.
- **Birling Capital U.S. Bank Index:** closed at 7,755.83, up 27.27 points or 0.35%.
- **U.S. Treasury 10-year note:** closed at 4.37%.
- **U.S. Treasury 2-year note:** closed at 3.94%.

# GDPNow

## Third Quarter 2025

Date	GDPNow 3Q25	Change
7/31/2025	2.30%	Initial Forecast

# US Initial Claims for Unemployment, US Personal Income, US Personal Spending & 30-Year Mortgage Rate



# US PCE Price Index & US Core PCE Price Index,





# Wall Street Recap

## July 31, 2025



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