



# Wall Street Rallies Despite Iran Strike Fallout; Global Markets Weigh PMI Data, Strait of Hormuz Risks.

June 23, 2025

by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets closed with asymmetrical results. Wall Street closed higher on Monday after reversing early losses, as investors digested a significant geopolitical development: targeted U.S. airstrikes on Iranian nuclear sites over the weekend. The 10-year U.S. Treasury yield fell to 4.34%, easing from its May high of 4.60%, reflecting a risk-off move into bonds amid global uncertainty.

The consumer discretionary and real estate sectors led the gains, while energy underperformed as crude prices retreated.

In Europe, stocks ended lower despite encouraging PMI data showing that the Eurozone's services index rose to 50.0 in June—right on the expansion threshold—while manufacturing PMI came in at 49.4, narrowly beating forecasts. Meanwhile Asian indexes declined, though China closed in positive territory after staging a late-session rebound. The U.S. dollar weakened against major currencies, and WTI crude dipped after initial gains, as markets weighed the risk of potential supply shocks from the Middle East.

## U.S. Targets Iran's Nuclear Facilities: Strait of Hormuz Threatened

In a significant military escalation, the United States conducted precision strikes on three Iranian nuclear sites—Fordow, Natanz, and Isfahan—raising tensions across the region. The strikes follow months of diplomatic efforts that began anew in April 2025 but failed to yield progress on Iran's nuclear ambitions.

Iran's parliament voted to close the Strait of Hormuz, a critical maritime passageway for nearly one-fifth of global oil shipments. While the final authority lies with Iran's national security council, such a move—if enacted—could trigger major disruptions in global energy flows, potentially spiking crude prices. Most oil transiting the strait is bound for Asia, particularly China, a close Iranian ally. While regional producers like Saudi Arabia and the UAE have alternate pipeline routes that bypass the strait, their capacity is limited.

Markets are bracing for further developments. Any retaliation by Iran or prolonged shipping disruptions would likely intensify volatility, elevate inflationary pressures, and amplify existing global headwinds, including rising trade frictions and policy uncertainty.

## U.S. Flash PMIs Show Diverging Trends Across Sectors

Economic indicators released Monday offered a mixed view of U.S. business activity. The S&P Global Flash Services PMI fell to 53.1 in June, missing estimates and pointing to a slowdown in expansion. A sharp contraction in exports in service suggests that trade disruptions and tariff-related tensions are beginning to weigh on the sector.

Meanwhile, the Flash Manufacturing PMI held steady at 52.0, beating expectations of a decline and reflecting a modest uptick in factory production, the first such increase since February. These readings indicate that while services remain expanding for the 25th consecutive month, momentum may be softening. Manufacturing, however, appears to be stabilizing after a sluggish start to the year.

The data support the view that the U.S. economy continues to grow at a slower but resilient pace, bolstered by a steady labor market and solid consumer spending.

### Economic Data Highlights:

- **U.S. Existing Home Sales:** rose to 4.03M, compared to 4.000M last month.
- **U.S. Existing Home Sales MoM:** rose to 0.75%, compared to -0.50% last month.
- **China Exports YoY:** fell to 4.74%, compared to 8.37% last month.
- **China Imports YoY:** rose to -3.32%, compared to -0.22% last month.

### Eurozone Summary:

- **Stoxx 600:** Closed at 535.03, down 1.50 points or 0.28%.
- **FTSE 100:** Closed at 8,758.04, down 16.61 points or 0.19%.
- **DAX Index:** Closed at 23,269.01, down 81.54 points or 0.35%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,581.78, up 374.96 points or 0.89%.
- **S&P 500:** closed at 6,025.17, up 57.33 points or 0.96%.
- **Nasdaq Composite:** closed at 19,630.97, up 183.57 points or 0.94%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,832.64, up 8.71 points or 0.23%.
- **Birling Capital U.S. Bank Index:** closed at 6,959.68, up 38.94 points or 0.56%.
- **U.S. Treasury 10-year note:** closed at 4.34%.
- **U.S. Treasury 2-year note:** closed at 3.84%.

## Wall Street Recap June 23, 2025



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.