

GLOBAL MARKET SQUARE



Wall Street Closes Mixed, Global Markets Slide as Tariff Concerns Intensify Ahead of Key April 2 Decision and Economic Evaporation at Play.

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The U.S. and European stock markets began the week with mixed results as concerns about tariffs took center stage. All indexes opened lower in early trading as the session marched on, the Dow Jones rose 417.96 points, followed by the S&P 500 with 30.91 points, and the Nasdaq fell -23.70 points. Over the weekend, reports suggested that the April 2 reciprocal tariff announcement could be more aggressive than anticipated, further dampening market sentiment. This follows last week's decision to impose tariffs on all autos not made in the U.S. As a result, stocks, particularly those in growth sectors like technology, are underperforming.

One of the valuable metrics we have been tracking is the economic forecast of the U.S. economy produced by the Federal Reserve Bank of Atlanta, the GDPNow, which forecasts the U.S. economic growth, and when President Trump's terms began the GDPNow for the first quarter published on January 31, 2025, was at 2.90% GDP and by the last report on March 28, 2025, it has fallen to -2.80% decreasing 196.55% in 67 days these measures seem to be derailing the economic expansion.

In the bond market, investors are flocking to the safety of government debt, with the 10-year Treasury yield falling to 4.23%. While significant unknowns exist in the current market, investors are better served by focusing on the fundamentals. Meanwhile, Strong corporate profits and a robust labor market remain key drivers of economic stability, even amid ongoing tariff concerns.

Performance of Key Indices YTD ranked from worst to best as of March 31, 2025:

- Nasdaq Composite: -10.42%.
- S&P 500: -4.59%.
- Birling U.S. Bank Index: -2.39%.
- Dow Jones Industrial: -1.27%. Birling PR Stock Index: 0.92%.

April 2 Tariff Decision in Focus

Since mid-February, tariff uncertainty has weighed heavily on markets, with the S&P 500 down nearly 10% from its all-time highs. This uncertain policy environment makes it harder for companies to plan for future hiring and capital investments, creating anxiety among investors. The potential for rising prices and slower economic growth due to tariffs has also contributed to the recent market downturn. On April 2, the U.S. is expected to announce details of its reciprocal tariff strategy, aiming to match tariffs imposed by other countries. However, recent reports indicate that the U.S. may adopt a more aggressive stance, though the specifics remain unclear. While the April 2 announcement should clarify the administration's approach, uncertainty is likely to persist as countries respond to these measures. Despite this, diversification remains a key strategy for investors during volatile periods. While U.S. equities have lagged, international developed-market stocks have risen by over 9%, and emerging-market equities have increased by 4.5% year-to-date.

Additionally, U.S. investment-grade bonds have gained over 2.5% in 2025. Maintaining a diversified portfolio aligned with your long-term goals can mitigate the impacts of market volatility and capitalize on shifting leadership in the markets.

Labor-Market Reports to Steer Market Sentiment

Alongside the April 2 tariff announcement, markets anticipate a busy week of labor-market data releases. The February JOLTS (Job Openings and Labor Turnover Survey) will be released tomorrow, with expectations pointing to a slight dip in job openings to around 7.7 million. Job openings are a key indicator of labor demand, which has remained strong in recent years. As of January, the number of job openings slightly exceeded the number of people unemployed, signaling healthy labor-market conditions. The most closely watched labor report this week will be Friday's nonfarm payrolls data, where analysts expect a gain of 123,000 jobs and a slight uptick in the unemployment rate to 4.2%. While labor-market activity may slow from current levels, we expect it to remain solid through 2025, supporting economic growth.

Economic Data Update:

- **U.S. Retail Gas Price:** rose to \$3.24, up from \$3.184, increasing 1.76%.
- **U.S. Crude Oil Production:** rose to 418.21M, up from 401.87M last month, increasing 4.07%.
- **Germany Consumer Price Index YoY:** fell to 2.20%, compared to 2.30% last month.
- **Germany Real Retail Sales YoY:** fell to 0.50%, compared to 4.00% last month.
- **Japan Housing Starts YoY:** rose to 2.40%, compared to -4.61% last month.
- **Japan Industrial Production Index MoM:** rose to 2.50%, compared to -1.09% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 533.92, down 8.18 points or 1.51%.
- **FTSE 100:** Closed at 8,582.81, down 76.04 points or 0.88%.
- **DAX Index:** Closed at 22,163.49, down 298.03 points or 1.33%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,001.76, up 417.86 points or 1.00%.
- **S&P 500:** closed at 5,611.85, up 30.91 points or 0.55%.
- **Nasdaq Composite:** closed at 17,299.29, down 23.70 points or 0.14%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,671.82, down 61.89 points or 1.66%.
- **Birling Capital U.S. Bank Index:** closed at 6,118.25, down 161.31 points or 2.57%.
- **U.S. Treasury 10-year note:** closed at 4.23%.
- **U.S. Treasury 2-year note:** closed at 3.89%.

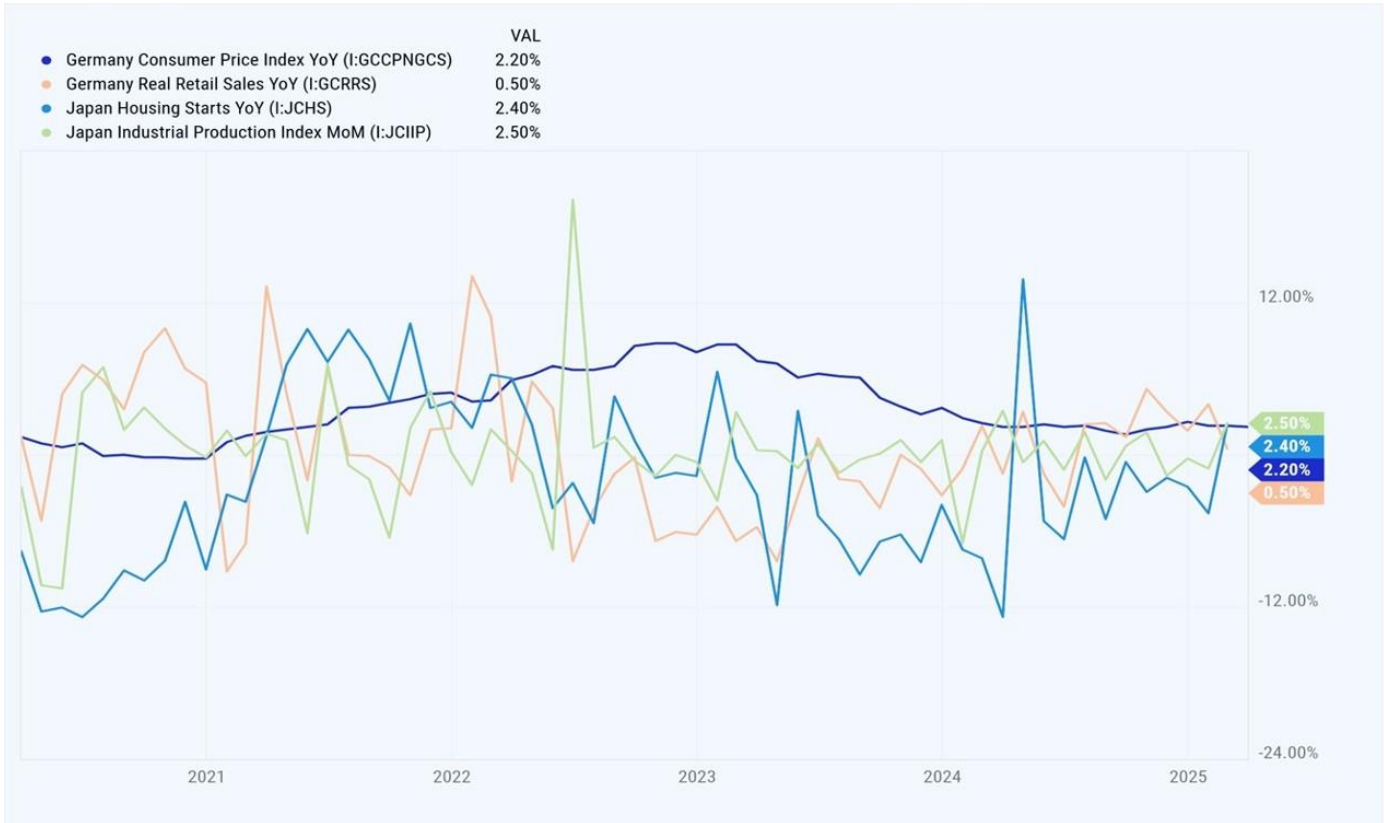


US Retail Gas Price & US Crude Oil Production

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Germany CPI, Germany Real Retail Sales, Japan Housing Starts & Japan Industrial Production Index





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