

GLOBAL MARKET SQUARE



U.S. and European Stocks Extend Weekly Gains as Jobless Claims Ease and Investment Trends Strengthen.

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The **U.S. and European stock markets closed higher** on Wednesday, adding momentum to a week already firmly in positive territory. The **Dow Jones** gained **314.67 points**, while the **S&P 500** rose **0.69%** and the **Nasdaq** advanced **0.82%**. The broader market's strength was supported by renewed momentum in artificial intelligence names such as Oracle, Nvidia, and Microsoft, alongside a steady decline in layoffs and improving consumer conditions.

Treasury yields are lower, with the 10-year yield closing at 4.00%, 13 basis points from the beginning of the month, and the 2-year rose slightly to 3.45%, some 15 basis points below the beginning of the month. Even with the modest rate move, equity sentiment remains constructive.

Labor Market Holds Steady; Durable Goods Orders Show Business Investment Strength

Initial jobless claims declined to **216,000**, down from last week's **222,000**, marking a **2.70% improvement** and remaining well below expectations of 230,000. Continuing claims were essentially unchanged at **1.96 million**. Even as hiring cools, layoffs remain historically low, with claims running far beneath the **30-year average of roughly 364,000** and the **2015–2019 average of about 245,000**. This pattern indicates a labor market that has eased but remains resilient—strong enough to sustain consumer spending through the end of the year.

At the same time, the September durable goods report highlighted a **notable deceleration** in momentum. Orders increased **0.48%**, matching consensus expectations but sharply lower than the **2.95% jump** recorded last month. The category benefited from ongoing strength in communications equipment, reflecting persistent investment tied to AI infrastructure buildouts, even as broader manufacturing cooled. Despite the slowdown, the data suggests that business investment remained constructive at the close of the third quarter, navigating tariff uncertainty and policy friction with relative stability.

Equity Momentum Spreads Worldwide

Despite volatility earlier in the spring, 2025 is shaping up to be another strong year for global equities. The **S&P 500 is up roughly 16% year-to-date**, dividends included, putting it on track for a *third straight* year of 15%+ gains.

But this year, the U.S. is not alone:

- **Germany, France, Japan, and the U.K.** have all logged **new all-time highs** in 2025.
- The **MSCI ACWI ex-USA** is up **26% year-to-date**, outperforming the U.S.
- European momentum is accelerating, Japanese activity remains resilient despite tech-heavy regions like Korea and China are lifting U.S. auto tariffs, and emerging-market equities.

International developed small- and mid-cap names, along with emerging markets, offer compelling upside into early 2026.

European Markets Rise as Fed Cut Expectations Firm Up

European benchmarks are following Wall Street and Asia higher amid rising confidence that the Federal Reserve will cut rates at its upcoming **December 9–10** meeting. Futures are now pricing in **nearly an 85% probability** of a 25-basis-point cut, according to CME FedWatch.

New York Fed President **John Williams** reinforced the narrative on Friday, noting that there is room to lower rates “in the near term”.

Markets also reacted to comments from U.S. Treasury Secretary **Scott Bessent**, who told CNBC there is a “very good chance” President Trump could name a new Fed chair before Christmas. Reports indicate that **Kevin Hassett**, Director of the National Economic Council, has emerged as a leading candidate—a figure widely viewed as more inclined toward rate cuts.

Economic Data:

- **U.S. PCE Price Index YoY:** rose to 2.74%, compared to 2.60% last month.
- **U.S. Core PCE Price Index YoY:** rose to 2.91%, compared to 2.85% last month.
- **U.S. Durable Goods New Orders MoM:** fell to 0.48%, compared to 2.95% last month.
- **U.S. Initial Claims for Unemployment Insurance:** fell to 216,000, down from 222,000 last week, down 2.70%.
- **U.S. Real GDP QoQ:** is at 3.80%, compared to -0.60% last quarter.
- **U.S. New Single-Family Houses Sold:** rose to 800,000, up from 664,000 last month, increasing 20.48%.
- **U.S. Total Vehicle Sales:** fell 16.80 million, down from 16.90 million last month.
- **30 Year Mortgage Rate:** fell to 6.23%, compared to 6.26% last week.
- **Japan Business Conditions Composite Coincident Index:** rose to 114.60, up from 112.80 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 574.01, up 6.00 points or 1.06%.
- **FTSE 100:** Closed at 9,691.58, up 82.05 or 0.85%.
- **DAX Index:** Closed at 23,695.23, up 230.60 points or 0.98%.

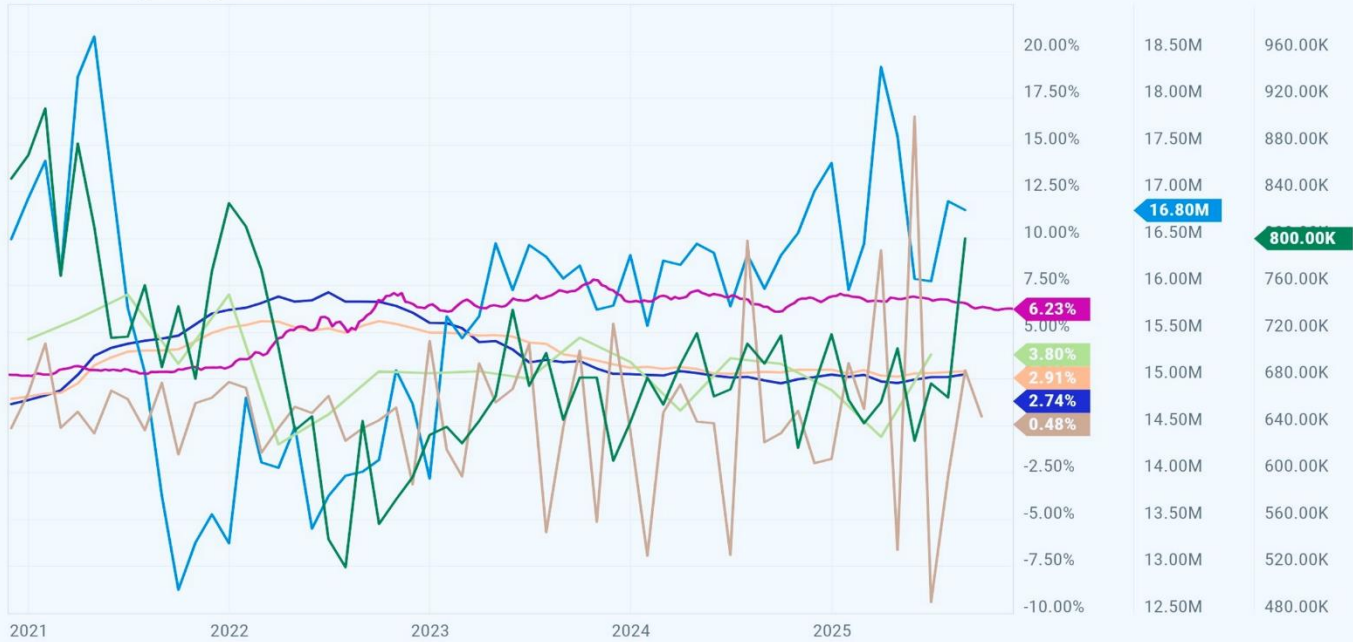
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 47,427.12, up 314.67 points or 0.67%.
- **S&P 500:** closed at 6,812.61, up 46.73 points or 0.69%.
- **Nasdaq Composite:** closed at 23,214.69, up 189.09 points or 0.82%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,733.81, down 61.20 points or 1.62%.
- **Birling Capital U.S. Bank Index:** closed at 8,289.26, up 118.37 points or 1.45%.
- **U.S. Treasury 10-year note:** closed at 4.00%.
- **U.S. Treasury 2-year note:** closed at 3.45%.

US PCE Price Index YoY; US Core PCE Price Index YoY; US Total Vehicle Sales; US Real GDP QoQ; 30 Year Mortgage Rate; US Durable Goods New Orders MoM & US New Single Family Houses Sold



	VAL
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US Core PCE Price Index YoY	2.91%
US Total Vehicle Sales	16.80M
US Real GDP QoQ	3.80%
30 Year Mortgage Rate	6.23%
US Durable Goods New Orders MoM	0.48%
US New Single Family Houses Sold	800.00K



Dow Jones, S&P 500, Nasdaq Composite, Birling Puerto Rico Stock Index & Birling US Bank Index YTD Returns 11.26.25



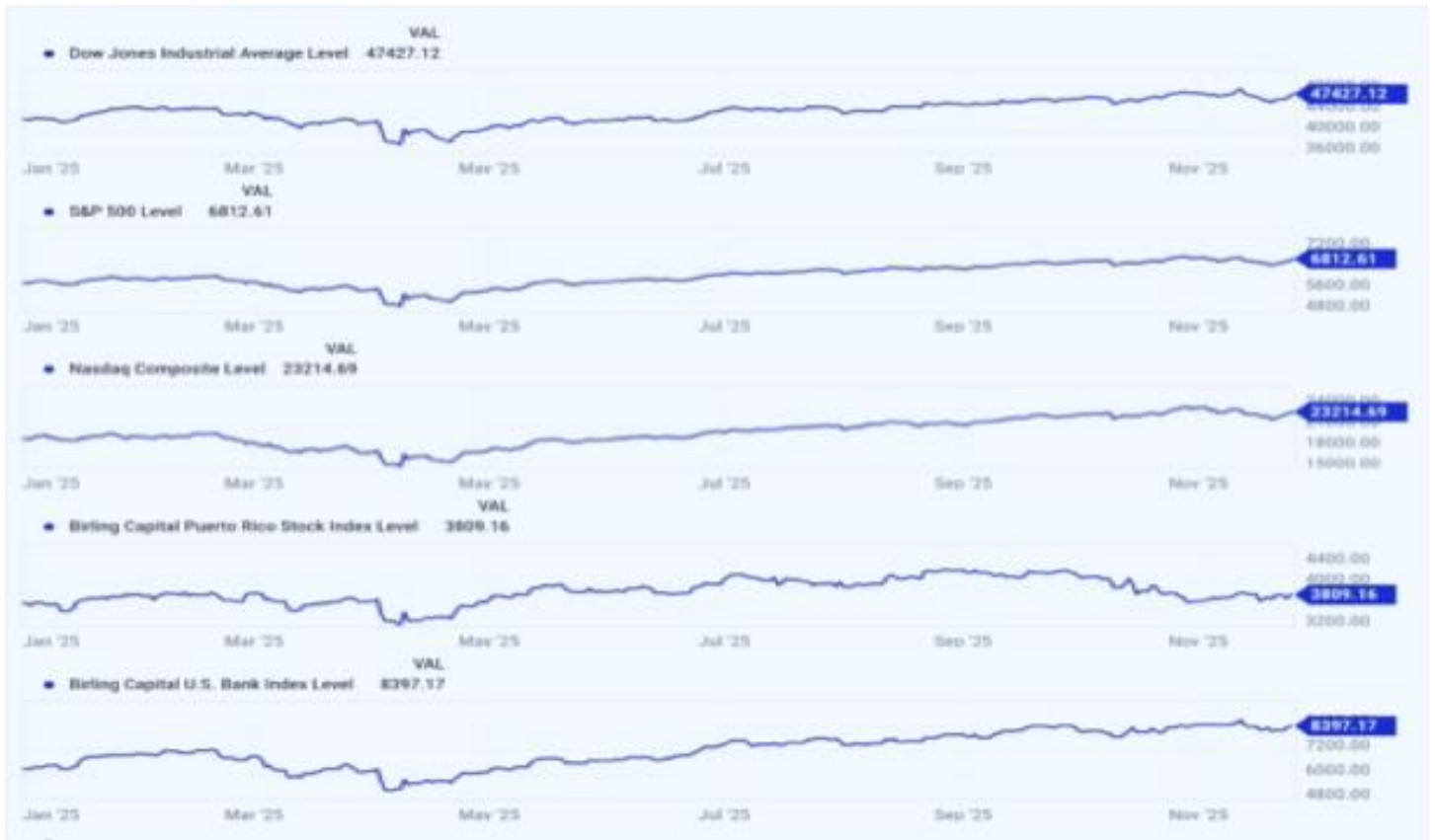


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