



Risk-On Rally Lifts Global Equities as Dow Breaks 50,000 Milestone

February 6, 2026

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The U.S. and European stock markets closed sharply higher, as investors returned to risk assets after a volatile stretch, driving one of the strongest single-day advances of the year for U.S. equities. **The Dow Jones Industrial Average led the move, surging 1,206.95 points to close at 50,115.67, the first close above 50,000**, while the **S&P 500 gained 1.97% to 6,932.30**. The technology-heavy **Nasdaq Composite advanced 2.18%, finishing at 23,031.21**, reflecting a broad-based rebound across growth and cyclical sectors alike.

As risk sentiment improved, bonds softened modestly. The 10-year U.S. Treasury yield edged higher, while the U.S. dollar held broadly steady against a trade-weighted basket of currencies. In commodities, WTI crude slipped toward the low-\$60s per barrel as markets weighed tentative signs of easing geopolitical tensions ahead of U.S.–Iran discussions. Precious metals remained firm, with gold and silver extending gains, though with far less volatility than earlier in the week.

AI Capex Back in Focus

Capital-expenditure intensity remains a central market theme. **Amazon** captured attention after outlining plans to invest roughly \$200 billion this year in data centers, chips, and related infrastructure. Combined with recent disclosures from **Meta**, **Alphabet**, and **Microsoft**, planned AI-related spending across this group now approaches \$650 billion for 2026—representing an estimated 60% year-over-year increase.

While the long-term strategic rationale for AI investment remains compelling, the market is becoming more discriminating about near-term returns. Amazon acknowledged that elevated capital expenditure will pressure profitability this year, and its shares declined sharply in after-hours trading. More broadly, investors are increasingly focused on which companies can translate scale and spending into durable margin expansion, and which may see returns diluted as balance sheets become more asset-heavy.

Rotation Remains the Defining Trend

Despite today's rebound in technology shares, the dominant theme of 2026 to date remains market rotation. High-multiple growth leaders have lagged, leaving the Nasdaq modestly lower year-to-date, while smaller-capitalization stocks developed international equities, and emerging markets have delivered materially stronger performance. This broadening of leadership has been underpinned by resilient economic fundamentals, improving corporate profitability, and an earnings season that has exceeded expectations.

Roughly four-fifths of S&P 500 companies reporting so far have beaten consensus estimates, with average upside surprises running in the high single digits. Earnings growth expectations have been revised higher, reflecting gains across most sectors rather than a narrow concentration in technology. Taken together, these dynamics continue to support a diversified allocation across U.S. mid- and large-cap equities, complemented by international and emerging-market exposure, as market leadership widens beyond the narrow winners of recent years.

European Equities Close Higher as Earnings Season Winds Down

European stock markets finished Friday's session higher, reversing early weakness as a heavy week of corporate earnings drew to a close and investors selectively repositioned across sectors. The pan-European **Stoxx 600** advanced roughly 0.9% by the close, recovering from morning losses as broader sentiment stabilized despite notable single-stock volatility.

Autos were the clear laggards. Milan-listed **Stellantis** shares plunged sharply after the company unveiled a sweeping business reset with an estimated \$26 billion in costs, triggering a broader pullback across the French auto industry. **Renault** slid, while suppliers **Valeo** and **Forvia** also traded lower, reflecting renewed concerns over margins and capital intensity in the European auto sector.

Earnings Drive Sector Dispersion

This week's price action has been shaped by results from several of Europe's largest companies, including **Novo Nordisk**, **Shell**, and major banks. Performance remained uneven, underscoring a market increasingly focused on execution and balance-sheet discipline rather than top-line growth alone.

In contrast, renewable energy provided a bright spot. Danish offshore wind developer **Ørsted** rose more than 3% after reporting fourth-quarter results that showed revenue growth of 9.8% year over year. EBITDA landed comfortably within guidance, and the company posted a full-year net profit, helping restore some confidence in a sector that has faced persistent cost and financing pressures. Financials were mixed. French lender **Société Générale** declined after releasing its fourth-quarter earnings, as investors digested profitability trends and capital-return outlooks amid a still-uneven European macroeconomic backdrop.

In corporate developments outside earnings, mining heavyweights **Rio Tinto** and **Glencore** confirmed they had abandoned discussions over a potential megamerger that would have created the world's largest mining group. Both stocks recovered from early-session losses, with Glencore finishing higher and Rio Tinto modestly positive, as investors appeared relieved by the removal of execution and regulatory uncertainty.

Overall, European markets closed the week on a firmer footing, but the dispersion beneath the surface highlights a more selective environment—one in which earnings quality, capital discipline, and strategic clarity are increasingly determining winners and losers across the region.

Economic Data:

- **U.S. Nonfarm Payrolls MoM:** fell 50,000, down from 56,000 last month, a change of -10.71%.
- **U.S. Unemployment Rate:** fell to 4.40%, compared to 4.50% last month.
- **U.S. Labor Force Participation Rate:** fell to 62.40%, compared to 62.50% last month.
- **U.S. Index of Consumer Sentiment:** rose to 57.30, up from 56.40 last month.
- **U.S. Consumer Credit Outstanding MoM:** fell to 4.229B, down from 9.236B last month.
- **Canada Employment Net Change:** fell -24,800, down from 10,100 last month.
- **Canada Unemployment Rate:** fell to 6.50% from 6.80% last month.
- **Canada Labour Force Participation Rate:** fell to 65.00%, compared to 65.40% last month.
- **Canada Ivey PMI:** fell to 47.00, down from 50.90 last month.
- **Germany Trade Balance:** rose to 17.10B, up from 13.10B last month.
- **Germany Exports MoM:** rose to 4.00%, compared to -2.50% last month.
- **Germany Industrial Production Index MoM:** fell -1.90%, compared to 0.20% last month.
- **Japan Business Conditions Composite Coincident Index:** fell to 114.50, down from 114.90 last month.

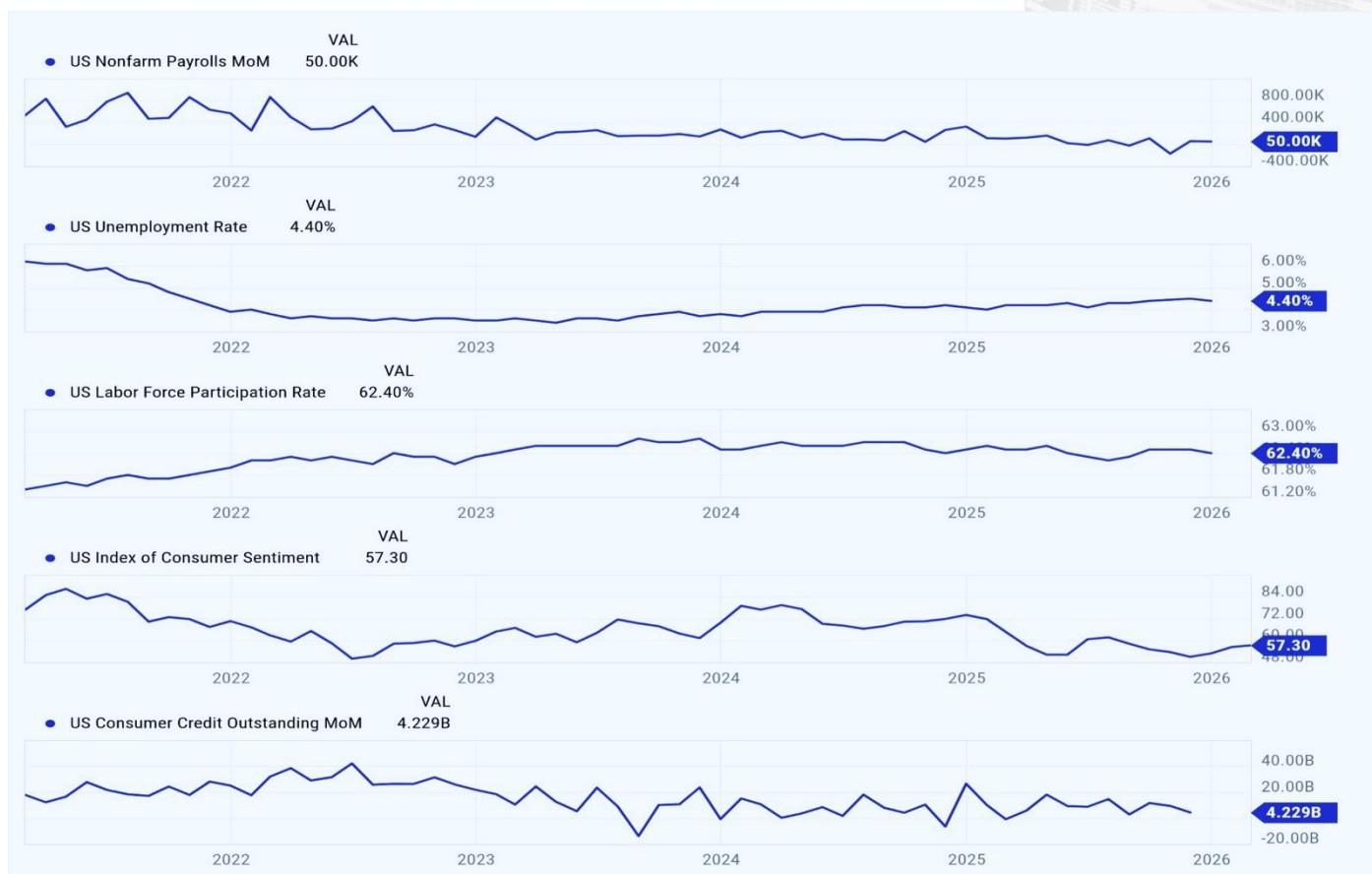
Eurozone Summary:

- **Stoxx 600:** closed at 617.12, up 5.47 points or 0.89%.
- **FTSE 100:** closed at 10,369.75, up 60.53 or 0.59%.
- **DAX Index:** closed at 24,721.46, up 230.40 or 0.94%.

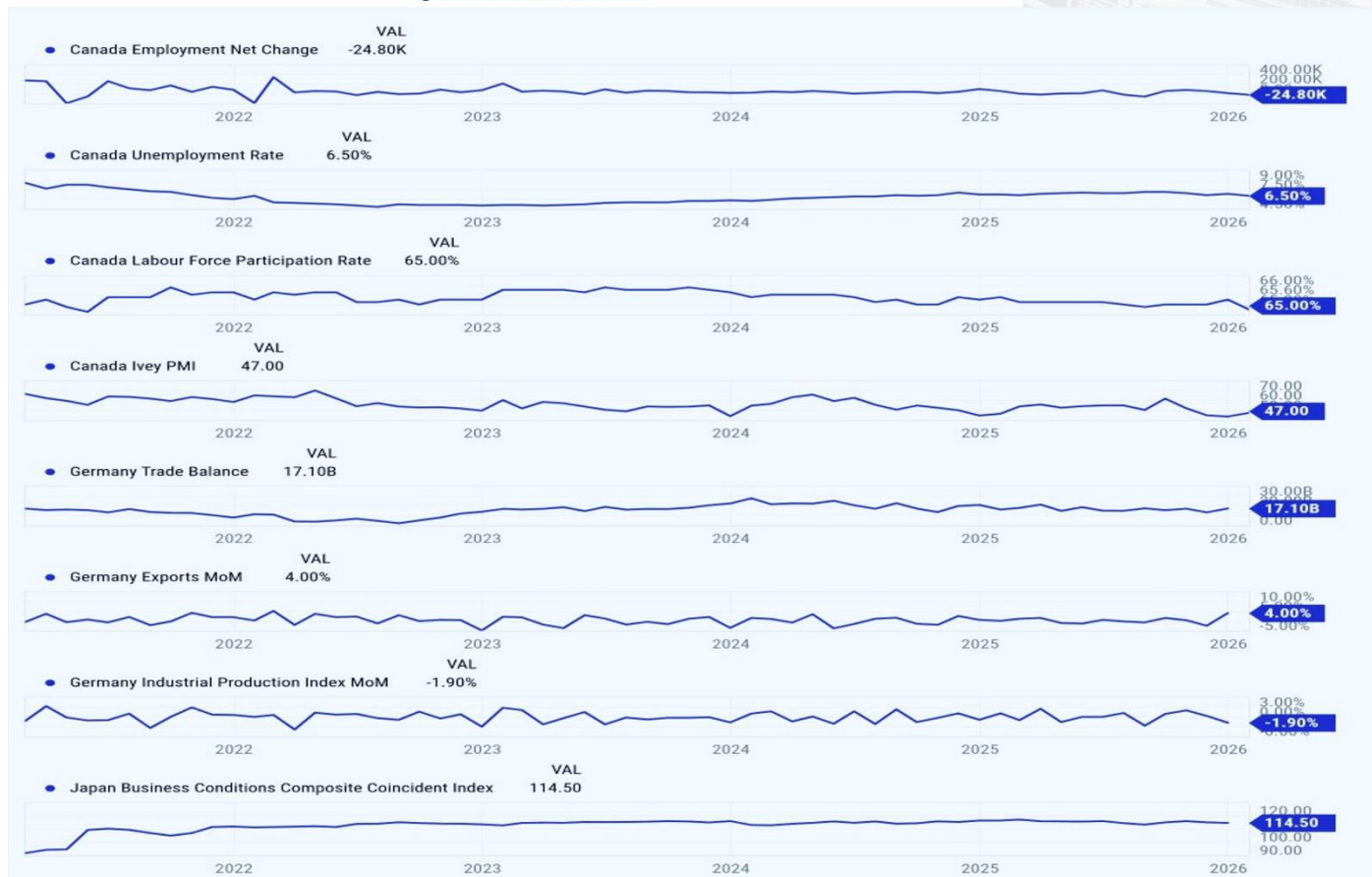
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 50,115.67, up 1,206.95 points or 2.47%.
- **S&P 500:** closed at 6,932.30, up 133.90 points or 1.97%.
- **Nasdaq Composite:** closed at 23,031.21, up 490.62 points or 2.18%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,159.09, down 14.76 points, or 0.35%.
- **Birling Capital U.S. Bank Index:** closed at 9,100.90, down 161.77 points or 1.75%
- **U.S. Treasury 10-year note:** closed at 4.22%.
- **U.S. Treasury 2-year note:** closed at 3.50%.

US Nonfarm Payrolls MoM; US Unemployment Rate; US Labor Force Participation Rate; US Index of Consumer Sentiment & US Consumer Credit Outstanding MoM



Canada Employment Net Change; Canada Unemployment Rate;
Canada Labour Force Participation Rate; Canada Ivey PMI;
Germany Trade Balance; Germany Exports MoM; Germany Industrial
Production Index MoM & Japan Business Conditions Composite
Coincident Index

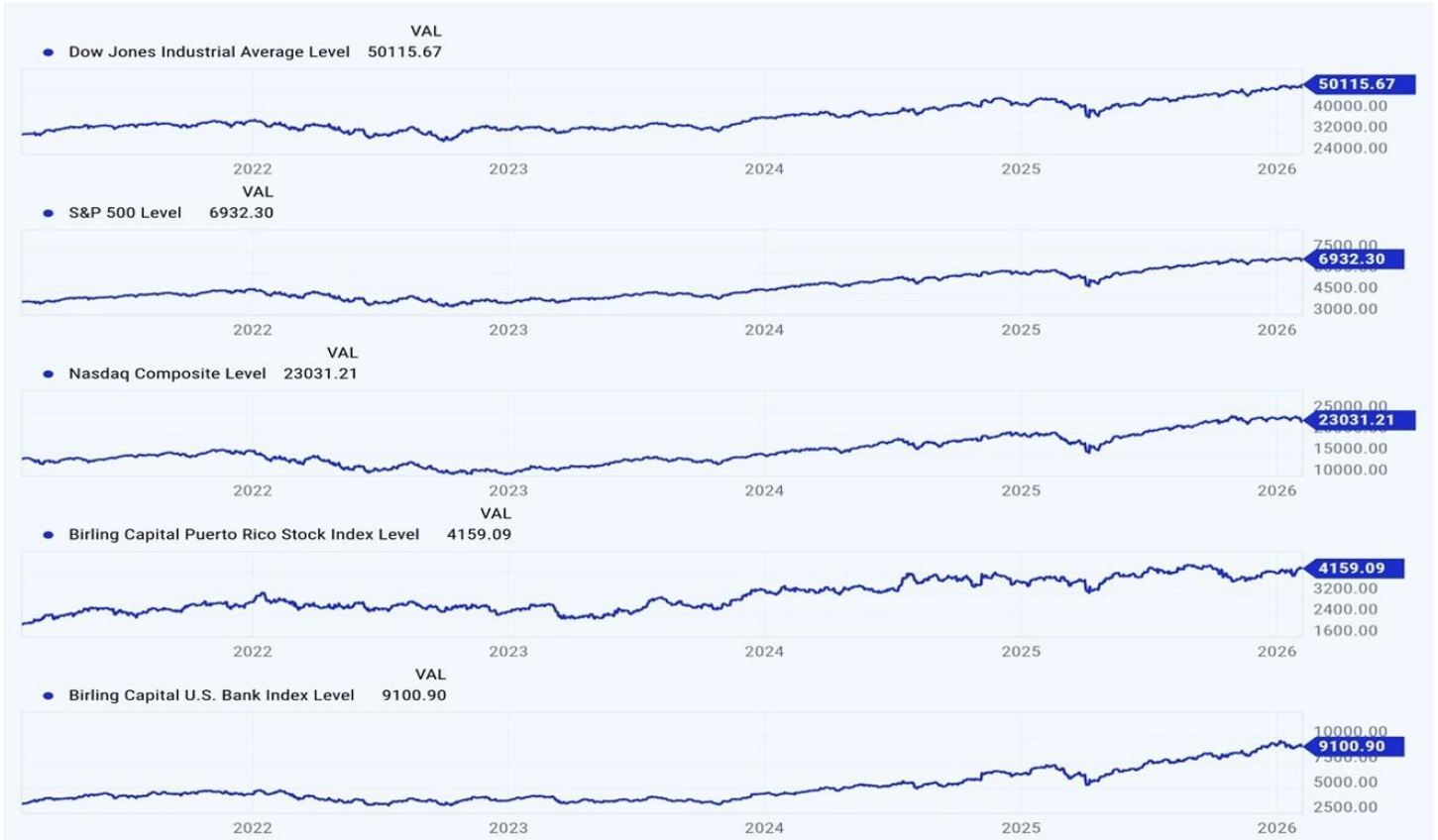




Wall Street Recap

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