



## Wall Street Retreats on Geopolitical Tensions Even as Bank Earnings Impress: Bank of America, Citi, and Wells Fargo Deliver Solid Results Amid Rising Volatility.

January 15, 2026

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**The U.S. and European stock markets closed mixed**, with Wall Street extending a second consecutive session of declines, and European Markets closed modestly higher as investors reduced risk exposure amid rising geopolitical tensions and firmer commodity prices. In the U.S., equities were broadly weaker, with the technology-heavy Nasdaq underperforming the S&P 500, while European markets also finished lower amid softer global risk sentiment.

The **S&P 500 fell 0.53%**, while the **Nasdaq Composite declined 1.0%** amid weakness in semiconductor stocks. **The Dow Jones Industrial Average** was comparatively resilient, **edging down 0.09%**. All three major indices have now posted back-to-back daily declines.

Technology weighed heavily on broader market performance. Semiconductor names were notably weak after reports that Chinese customs authorities have advised that certain advanced AI chips may not be permitted to enter the country. Shares of Broadcom fell roughly 4%, while NVIDIA and Micron Technology declined by more than 1%, reinforcing concerns about export restrictions and geopolitical tensions.

**Financial also contributed to downside pressure following earnings.** Wells Fargo fell more than 4% after reporting weaker-than-expected fourth-quarter revenue. Bank of America and Citigroup traded lower despite beating consensus estimates, as investors appeared unconvinced the results were strong enough to sustain valuations near record market levels.

The pressure on bank stocks adds to recent weakness following Donald Trump's renewed call last week for credit card interest rate reform, which has weighed on sentiment across the sector. Citigroup shares are now down more than 7% week-to-date, while Bank of America has also posted notable weekly declines.

Overall, markets remain in consolidation mode, balancing solid earnings fundamentals against elevated valuations, policy uncertainty, and renewed geopolitical risk.

### Eurozone Markets

**European equity markets closed modestly higher**, as investors shifted focus to diplomatic developments involving Greenland while largely overlooking company-specific headlines. The pan-European Stoxx 600 finished the session up just under 0.2%, touching a fresh record high, supported by selective strength across energy and industrial names.

Market attention centered on meetings between U.S., Greenlandic, and Danish officials, led by U.S. Secretary of State Marco Rubio, to discuss the future of the Arctic island. Comments from Donald Trump regarding Greenland's strategic importance have kept the issue in focus, though Denmark and Greenland have reiterated that the territory is not for sale. While the geopolitical narrative added headline risk, market reaction remained contained.

In corporate news, BP warned it expects to record impairment charges of approximately \$4–\$5 billion

in the fourth quarter of 2025, primarily related to its gas and low-carbon energy units. The charges will be excluded from the underlying replacement cost profit. BP also signaled weaker oil trading results versus the prior quarter. Despite the announcement, BP's London-listed share

### Corporate Earnings Parade:

- **Bank of America Corp. (BAC):** reported 4Q2025 results with revenues of \$15,750 billion, up 9.68%; net income of \$7,647 billion, up 12.35%; and Earnings Per Share of \$0.28, topping estimates. The company has a Tier 1 Capital of 14.5% and a stock price target of \$62.10/ View of BAC Report: [BAC Overview](#)
- **Citigroup, Inc. (C):** reported 4Q2025 results with revenues of \$19,871 billion, up 2%; net income of \$2,471 billion, down 13%; and Earnings Per Share of \$1.19, topping estimates. The company has a Tier 1 Capital of 13.70% and a stock price target of \$131.64. View of Citi Report: [C Overview](#)
- **Wells Fargo & Co. (WFC):** reported 4Q2025 results with revenues of \$21,292 billion, up 4%; net income of \$5,361 billion, up 6%; and Earnings Per Share of \$1.62, topping estimates. The company has a Tier 1 Capital of 11.9% and a stock price target of \$100.68. View of WFC Report: [WFC Overview](#)

### Economic Update:

- **U.S. Producer Price Index YoY:** rose 2.95%, compared to 2.80% last month.
- **U.S. Core Producer Price Index YoY:** rose to 2.96%, compared to 2.92% last month.
- **U.S. Retail and Food Services Sales MoM:** rose to 0.61%, compared to -0.11% last month.
- **U.S. Wholesalers Inventories MoM:** rose to 0.45%, compared to -0.07% last month.
- **U.S. Existing Home Sales:** rose to 4.13M, up from 4.11M last month.

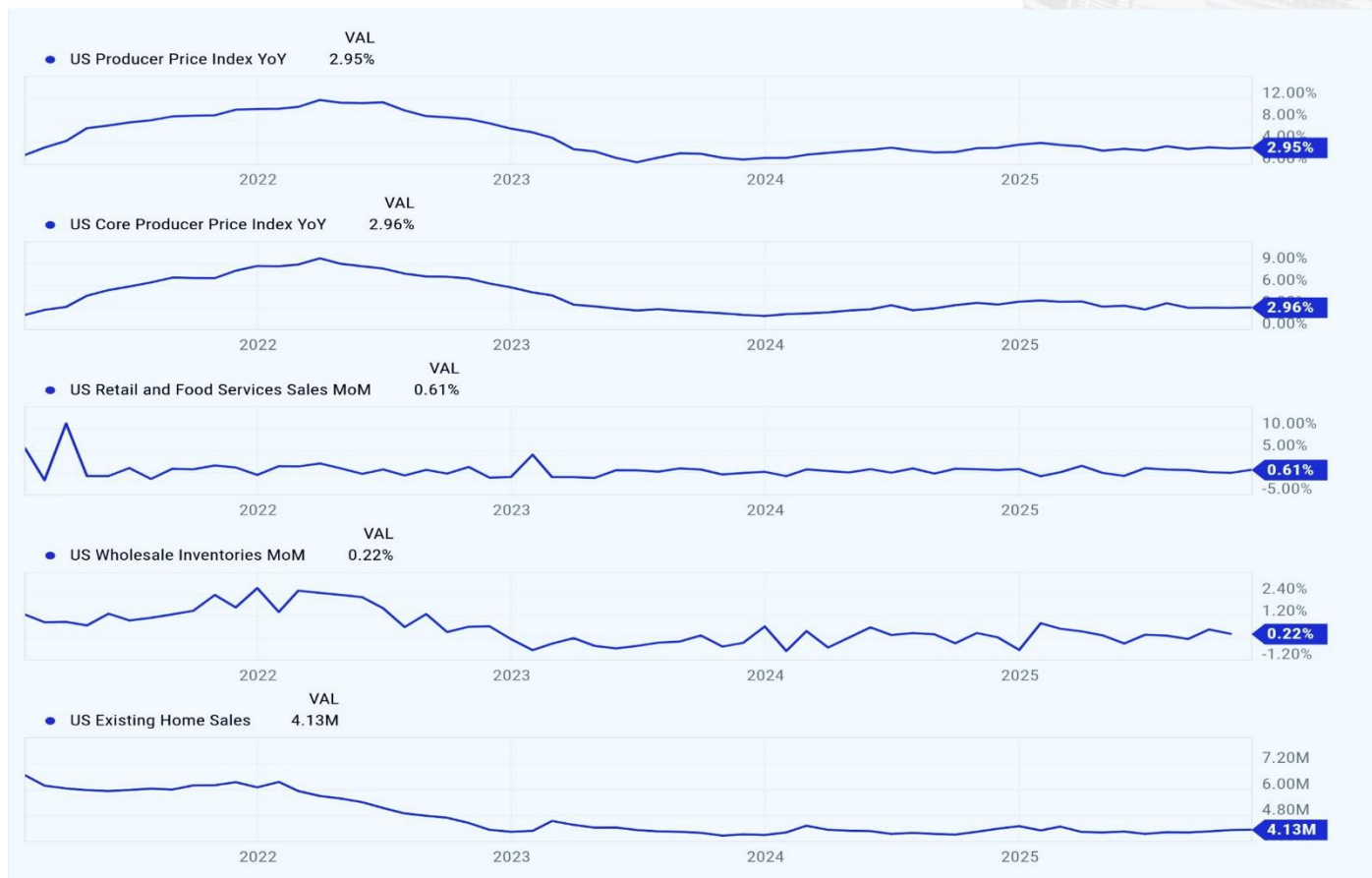
### Eurozone Summary:

- **Stoxx 600:** closed at 611.56, up 1.12 points or 0.18%.
- **FTSE 100:** closed at 10,184.35, up 47.0 or 0.46%.
- **DAX Index:** closed at 25,286.24, down 134.42 or 0.53%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 49,149.63, down 42.36 points or 0.09%.
- **S&P 500:** closed at 6,926.60, down 37.14 points or 0.53%.
- **Nasdaq Composite:** closed at 23,471.74, down 238.12 points or 1.00%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,984.49, down 55.05 points or 1.36%.
- **Birling Capital U.S. Bank Index:** closed at 9,241.98, down 176.41 points or 1.87%.
- **U.S. Treasury 10-year note:** closed at 4.15%.
- **U.S. Treasury 2-year note:** closed at 3.51%.

# US Producer Price Index YoY; US Core Producer Price Index YoY; US Retail and Food Services Sales MoM; US Wholesale Inventories MoM & US Existing Home Sales

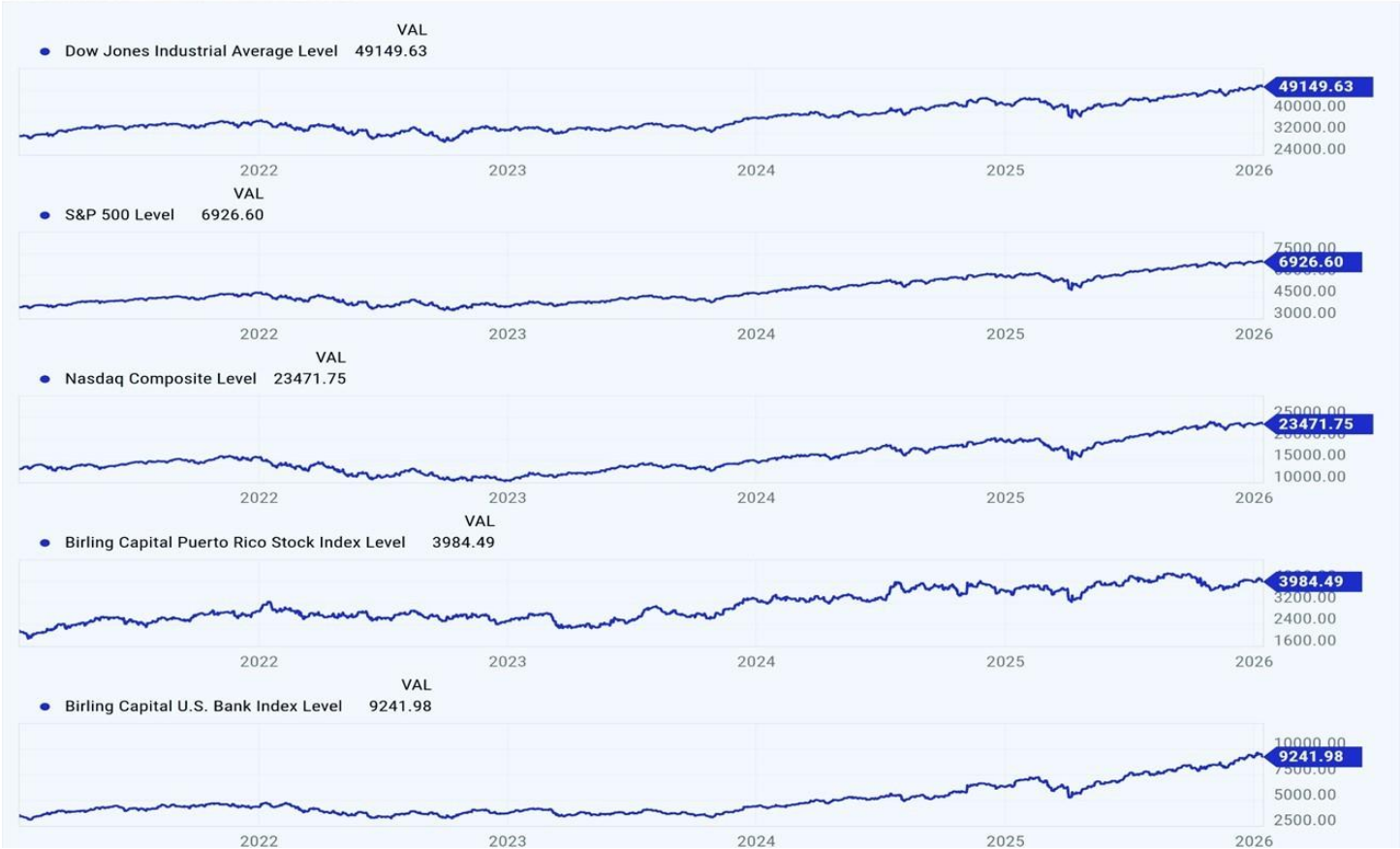




# Wall Street Recap

## January 14, 2026

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