

Dow Soars Nearly 1,000 Points as Iran Deal Optimism Sparks Broad Market Rally, Oil Prices Retreat

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The U.S. and European stock markets staged a powerful rally on Thursday as investors welcomed signs of easing geopolitical tensions in the Middle East and renewed strength in semiconductor shares. Markets surged after President Donald Trump announced that planned military strikes against Iran had been canceled and indicated that the United States was nearing a formal agreement designed to prevent Iran from obtaining nuclear weapons.

The prospect of a diplomatic resolution significantly reduced fears of a broader regional conflict, sending oil prices sharply lower and boosting investor sentiment across risk assets. At the same time, a stronger-than-expected Producer Price Index report did little to derail the rally, as investors focused on declining energy prices, resilient economic fundamentals, and growing confidence that inflation pressures outside of energy remain manageable. Falling crude prices, lower geopolitical risk, and a rebound in technology shares combined to drive one of the strongest market advances in recent months.

U.S. Markets

U.S. stocks posted broad-based gains as investors rotated back into technology and growth shares following several sessions of volatility driven by geopolitical concerns and weakness in the semiconductor sector. The Dow Jones Industrial Average surged 929.60 points, or 1.86%, while the S&P 500 advanced 1.75%. The Nasdaq Composite led the major indexes higher, climbing 2.54% as semiconductor stocks staged a strong recovery.

Market sentiment improved dramatically after President Trump stated that a diplomatic agreement with Iran was nearing completion and confirmed that military action previously under consideration had been suspended. The announcement helped ease concerns about potential disruptions to global energy supplies and reduced fears of a broader conflict in the Middle East.

Semiconductor stocks led the rally, with investors returning to the sector after last week's sharp correction. The iShares Semiconductor ETF jumped 6%, supported by strong gains in Micron Technology, Advanced Micro Devices, and Intel. Intel outperformed following a favorable analyst upgrade that highlighted improving prospects for the company's turnaround strategy. Investor enthusiasm surrounding Friday's highly anticipated SpaceX market debut also contributed to renewed optimism toward technology and artificial intelligence-related investments. The offering is expected to become one of the largest public market debuts in history and could serve as another catalyst for AI-related capital spending themes.

Not all technology shares participated in the advance. Oracle declined sharply after announcing plans to raise approximately \$20 billion through debt and equity financing to support its expanding artificial intelligence infrastructure investments. Despite the weakness in Oracle, the broader technology sector finished significantly higher as investors focused on improving sentiment toward semiconductors and AI-linked growth opportunities.

Meanwhile, economic data showed producer prices increased more than expected in May, reflecting higher energy costs and persistent inflation pressures. However, investors largely looked

through the report at lower oil prices and easing geopolitical risks improved the broader market outlook.

Inflation Pressures Reaccelerate at the Producer Level

Producer prices increased 6.5% year-over-year in May, modestly exceeding expectations and marking the strongest annual reading since November 2022. Energy costs were the primary driver, with producer energy prices surging both on a monthly and annual basis as higher oil prices continued to flow through supply chains.

Excluding food and energy, core producer inflation remained firm, suggesting that inflationary pressures have not fully disappeared despite recent moderation in consumer-price data. The latest figures reinforce expectations that the Federal Reserve will likely maintain current interest rates at next week's policy meeting.

While policymakers may adopt a more cautious tone regarding future rate cuts, markets continue to believe the threshold for additional rate hikes remains relatively high unless inflation accelerates materially beyond current levels.

IPO Market Spotlight Shifts to Historic SpaceX Debut

Investor attention is increasingly focused on Friday's highly anticipated public market debut by SpaceX, which is expected to be one of the largest equity offerings in history, with an estimated valuation approaching \$1.8 trillion. The transaction has reignited enthusiasm across the technology and artificial intelligence ecosystem, with investors viewing the offering as a major milestone in the next phase of digital infrastructure, aerospace innovation, and AI-driven capital investment. The excitement surrounding SpaceX has also helped fuel a broader rebound in semiconductor and technology shares as investors position for continued growth in artificial intelligence, cloud computing, and advanced computing infrastructure. However, history suggests investors should approach high-profile offerings with discipline. While major IPOs often generate strong initial demand and substantial media attention, long-term returns have varied widely, and newly public companies frequently experience heightened volatility in their first year of trading.

For investors, the most important consideration remains maintaining a long-term perspective. Investment decisions should be driven by portfolio objectives, risk tolerance, and valuation discipline rather than short-term excitement surrounding headline-grabbing market debuts.

Economic & Policy Outlook

Investors welcomed signs of easing geopolitical tensions after President Trump announced that a diplomatic agreement with Iran was nearing completion and that planned military action had been suspended. The announcement triggered a sharp decline in oil prices, helping ease concerns about energy-driven inflation and supporting a broad rally in global equities.

At the same time, May producer price data came in stronger than expected, underscoring that inflation pressures remain in the economy. Nevertheless, markets appeared encouraged by the view that higher energy costs have not yet meaningfully spilled over into broader inflation measures. Combined with resilient economic growth and a stable labor market, the data reinforces expectations that the Federal Reserve will likely maintain interest rates at its upcoming policy meeting.

Investors will continue monitoring developments surrounding the Iran agreement, energy markets, inflation trends, and next week's Federal Reserve meeting. For now, falling oil prices, improving geopolitical conditions, and renewed strength in technology shares have provided a constructive backdrop for risk assets.

The Final Word: Market Perspective

Markets received exactly what investors were hoping for: easing geopolitical tensions, falling energy prices, and a renewed rebound in technology shares. While inflation remains above the Federal

Reserve's comfort zone, the combination of resilient economic fundamentals and reduced geopolitical risk has improved investor confidence. The sustainability of the current rally will depend on continued progress toward an agreement with Iran, stabilization in energy markets, and confirmation that inflation remains contained outside the energy sector.

Economic Data:

- **US Initial Claims for Unemployment Insurance:** rose to 229,000, up from 225,000 last week, up 1.74%.
- **US Producer Price Index YoY:** rose to 6.50%, compared to 5.70% last month.
- **US Core Producer Price Index YoY:** is at 4.90%, compared to 4.90% last month
- **30 Year Mortgage Rate:** fell to 6.48%, compared to 6.53% last week.
- **Japan Industrial Production Index MoM:** rose to 0.78%, compared to -0.39% last month.

Eurozone Summary:

- **Stoxx 600:** closed at 621.53, up 3.36 points or 0.54%.
- **FTSE 100:** closed at 10,303.88, up 49.07 or 0.48%.
- **DAX Index:** closed at 24,209.71, up 14.40 points or 0.06%

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 59,848.75, up 929.97 points or 1.86%
- **S&P 500:** closed at 7,394.30, up 127.31 points or 1.75%.
- **Nasdaq Composite:** closed at 25,809.66, up 640.15 points or 2.54%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,422.89, up 26.47 points or 0.60%.
- **Birling Capital U.S. Bank Index:** closed at 9,665.66, down 106.26 points or 1.09%.
- **U.S. Treasury 10-year note:** closed at 4.45%.
- **U.S. Treasury 2-year note:** closed at 4.05%.

U.S. Initial Claims for Unemployment Insurance

Weekly, seasonally adjusted — January 2025 through June 7, 2026

Latest (Jun 7, 2026)

229,000

+4,000 vs prior week (+1.78%)

52-week low

190,000

April 25, 2026

52-week high

259,000

September 6, 2025

Year-ago (Jun 7, 2025)

244,000

-6.15% year-over-year



U.S. Producer Price Index – Year-over-Year Change

Headline PPI vs. Core PPI (ex-food & energy) · January 2025 – May 2026

Headline PPI (May 2026)

6.5%

+0.8 pts vs April · cycle high

Core PPI (May 2026)

4.9%

Flat vs April · elevated

Headline trough (2025)

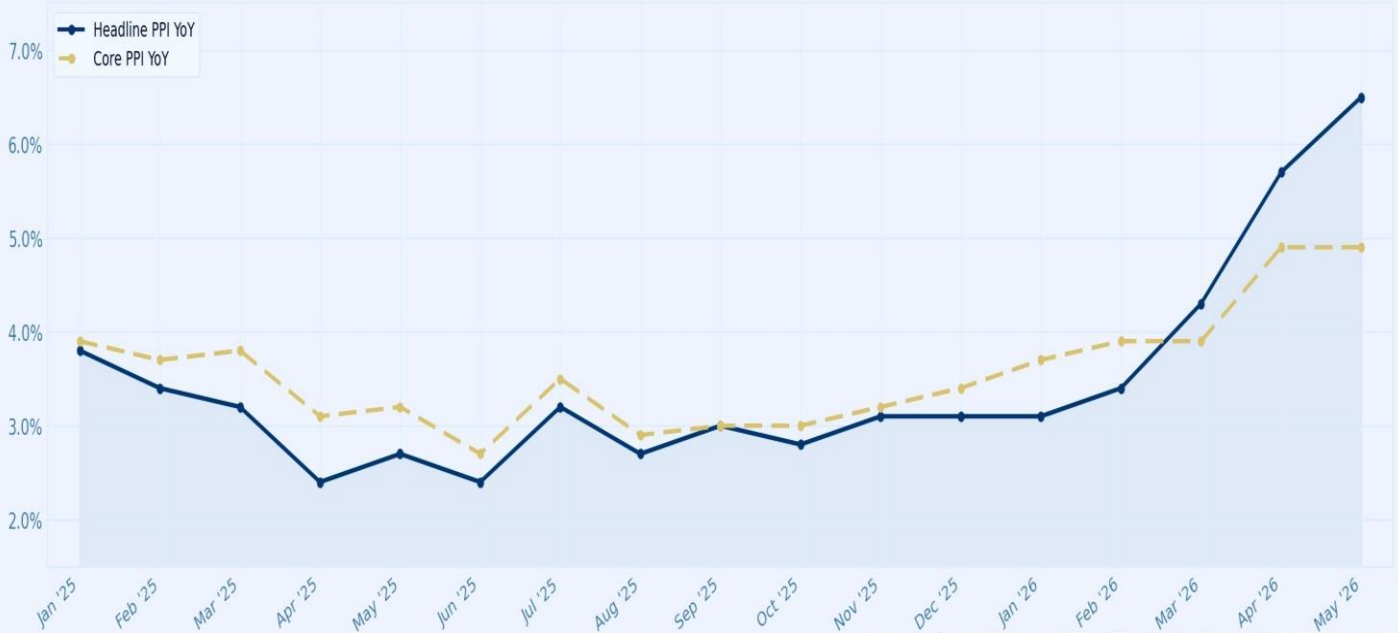
2.4%

Jun & Apr 2025

Spread (May 2026)

+1.6 pts

Headline above core



Source: U.S. Bureau of Labor Statistics | Birling Capital Advisors, LLC – birlingcapital.com

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European Markets Close

June 11, 2026 · Daily Summary

All indices — end of session
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Stoxx 600

621.53



+3.36

+0.54%

FTSE 100

10,303.88



+49.07

+0.48%

DAX

24,209.71



+14.40

+0.06%

Source: Bloomberg · Stoxx, LSE, Deutsche Börse

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Wall Street and Birling Capital Indexes Close

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All indices — end of session

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Source: Bloomberg · NYSE, Nasdaq, U.S. Treasury

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Wall Street Recap

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