

GLOBAL MARKET SQUARE



Dow Strikes a New All-Time High, Nasdaq Surges 3%, and Oil Closes Below \$81 as the U.S.-Iran Peace Agreement Is Confirmed and SpaceX Extends Its Historic Market Debut

June 15, 2026

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets began the week with decisive momentum Monday as the United States and Iran formally confirmed a memorandum of understanding to reopen the Strait of Hormuz and bring the conflict to a close, fulfilling the diplomatic expectations that had been building across global markets for the better part of a week and removing the most consequential geopolitical risk premium from financial markets since hostilities began in March. President Donald Trump announced late Sunday on social media that the deal was complete, with Pakistan Prime Minister Shehbaz Sharif confirming that the agreement had already been signed electronically and that a formal ceremony would take place Friday in Switzerland. Trump additionally authorized the reopening of the Strait of Hormuz, and Vice President JD Vance told CNBC Monday that he expects the waterway to remain open on a toll-free basis for the long term. The reaction was immediate and sweeping. U.S. crude oil closed down 4.9% at \$80.75 per barrel, Treasury yields declined, the dollar softened, and equity markets advanced broadly from the open. The Dow Jones Industrial Average set a new all-time intraday record during the session. The week ahead carries significant weight of its own — Wednesday brings the Federal Reserve's June policy decision and updated economic projections under Chair Kevin Warsh — but Monday belonged unambiguously to the agreement.

U.S. Markets

U.S. equities posted their strongest session in months Monday, with gains broad-based across sectors and conviction evident in both the breadth and the volume of the advance. The Dow Jones Industrial Average added 468 points, or 0.92%, striking a new all-time intraday high during the session before settling near the day's highs at the close. The S&P 500 climbed 1.66%, while the Nasdaq Composite surged 3.07% — its best single-day performance since March 31 — as technology and growth-oriented names led the advance with particular force. SpaceX extended Friday's historic public market debut, with shares rising more than 15% on top of the 19% gain recorded on its first day of trading. "It seems to be much more orderly than what I expected, and that is not a bad thing," said Brian Mulberry, chief market strategist at Zacks Investment Management. "This is not some type of meme stock right out of the gate — it actually is people adding it and holding it in their portfolio, not trying to turn it over".

The Iran agreement provided the session's dominant catalyst, though its confirmation had not come without drama. An exchange of fire between Israel and Tehran-backed Hezbollah in Lebanon raised uncertainty Sunday over whether the deal would cross the finish line, before Trump's late evening announcement resolved the question. "It seems real this time as both rates and oil have broken through key levels", Mulberry said. The development, he added, "should alleviate pressure on the FOMC commentary, and that is good news long term for this market". U.S. crude settling at \$80.75 — down nearly 5% on the day — carries particular weight entering a Federal Reserve week. While the full pass-through to refined products such as jet fuel will take time, crude at \$80 is, in Mulberry's assessment, "a strong signal, given that this is an FOMC week, that we don't need to raise rates and that the price pressure should alleviate relatively quickly." Fed funds futures moved to reflect a more benign monetary policy path, reinforcing Birling Capital's base case that Wednesday's most likely outcome is a prolonged pause rather than renewed tightening — a backdrop that can remain

supportive of equity valuations, particularly as market leadership broadens beyond the concentrated technology trade that has defined much of the year's advance.

European Markets

European equity markets closed broadly higher Monday as the confirmation of the U.S.-Iran peace agreement sent energy prices sharply lower and lifted sentiment across the continent. The FTSE MIB in Milan reached the 52,000-point mark for the first time, with CAC 40, DAX, and IBEX 35 all posting strong gains on the back of the agreement between Washington and Tehran. The pan-European Stoxx 600 closed at 634.44, up 1.23 points or 0.19%, a modest headline gain that understated the breadth of the advance across individual markets. Germany's DAX led the major benchmarks, closing at 24,894.01, up 258.71 points or 1.05%, as export-sensitive industrials and manufacturing names responded positively to the prospect of normalized energy flows and reduced input cost pressures. The lone decliner among the major indexes was London's FTSE 100, which closed at 10,430.62, down 41.10 points or 0.39%, weighed by the energy sector's retreat as oil prices fell sharply on the day.

The agreement to reopen the Strait of Hormuz provided the dominant catalyst for European markets, and its impact was felt most acutely in the sectors that had absorbed the most punishment during the conflict period. European industrials, financials, and consumer discretionary names advanced broadly, while energy producers — which had benefited from elevated crude prices since March — retreated alongside oil. The European Central Bank's updated inflation forecasts project headline inflation in the eurozone averaging 3.0% in 2026, 2.3% in 2027, and 2.0% in 2028 — a trajectory that a sustained decline in oil prices would support, potentially allowing the ECB greater flexibility in its policy path over the remainder of the year.

From Birling Capital's perspective, the performance of European markets Monday reflects a recalibration that has been building since the diplomatic signals emerged last week. Energy-importing economies across the continent stand to benefit disproportionately from lower crude prices, and international developed value stocks — heavily represented in European indexes — are among the segments of the global market best positioned to capture the rotation that Birling Capital expects to follow the resolution of the conflict. Investors with underweight international exposure relative to benchmarks may find the current entry point constructive.

Geopolitics and market leadership

Birling Capital assesses that the reopening of the Strait of Hormuz represents a structural inflection in the market's risk architecture, one with meaningful consequences for portfolio positioning. The advance since the March low has been narrow by historical standards, concentrated in large-cap technology and growth names that offered earnings resilience and relative insulation during the conflict. That leadership dynamic is now subject to reassessment.

Lower oil prices reduce input cost pressures across a wide range of industries, alleviate headline inflation, and create the conditions under which Treasury yields may continue drifting lower — not because the Federal Reserve has pivoted, but because the inflationary impulse from energy is receding. That is a meaningful tailwind for rate-sensitive sectors, including financials, industrials, and real estate investment trusts, that have underperformed in the elevated-yield environment of recent months. At the same time, the removal of a material downside scenario from the macro backdrop may encourage capital rotation toward cyclical sectors, U.S. mid-capitalization equities, and equal-weight index exposure — areas of the market that participated less fully in the technology-led rally. We favor a broadening of leadership and regard the current environment as supportive of that thesis.

Economic and policy outlook

Wednesday's Federal Reserve announcement is the week's next pivot point. Under Chair Kevin Warsh, the committee will release its June policy decision alongside updated economic projections and the revised dot plot — a combination that markets will scrutinize for signals about the Fed's

evolving philosophy and near-term intentions. No change in the policy rate is widely expected, and that base case is well anchored in the current data environment.

The more consequential question is what the committee signals about the path forward. Employment data in recent weeks have remained firm, and inflation has shown signs of acceleration in core service categories not directly tied to energy prices. In response, Birling Capital expects the Fed to remove its easing bias from the policy statement and to adjust the 2026 median dot to reflect no rate cuts this year — a reversal of the projection that had previously indicated one reduction. Updated Summary of Economic Projections is likely to show higher inflation estimates, a lower unemployment trajectory, and GDP growth that remains positive but below the pace of 2025.

The Iran agreement introduces a meaningful variable into that calculus. If WTI crude sustains the move below \$80, headline inflation may have peaked in the second quarter, and the path toward gradual disinflation over the remainder of the year becomes more credible. That scenario would reinforce the case for a prolonged pause rather than a renewed tightening cycle — and from a market perspective, a higher-for-longer posture anchored in resilient growth and moderating inflation is not inherently hostile to equity valuations. It is the environment in which corporate earnings can grow, credit spreads can remain contained, and the broadening of market leadership that Birling Capital favors can develop on a durable foundation.

The Final Word: Market Perspective

Monday morning's tone is the most constructive the market has seen since before the conflict began in March, and the reasons for that optimism are genuine. Oil is below \$80, a peace agreement has been signed, and the Fed has the data it needs to pause without apology. What remains to be determined is whether the market's current positioning — already above pre-war levels — has fully anticipated the good news, or whether further repricing is to come as shipping normalizes, supply chains recover, and earnings estimates are revised upward. Birling Capital's framework for this environment is clear: favor breadth over concentration, rotate toward cyclicals and mid-caps, build international developed value exposure, and resist the temptation to chase the names that have already delivered the bulk of the year's gains. The holiday-shortened week — with Thursday marking the Juneteenth federal holiday — compresses the decision window. Wednesday's Federal Reserve meeting will determine whether this morning's optimism is validated or complicated. For long-term investors, the simpler question is more durable: are resilient growth, moderating inflation, and an easing geopolitical environment now the base case? As of Monday morning, the answer appears to be yes.

Economic Data:

- **US Industrial Production MoM:** fell to 0.14%, compared to 0.87% last month.
- **NAHB/Wells Fargo US Housing Market Index:** fell to 35.00, down from 37.00 last month.
- **Canada Manufacturing Shipments:** rose to 77.05B, up from 73.98B last month.
- **Canada Wholesale Sales MoM:** fell to 2.85%, compared to 13.64% last month.

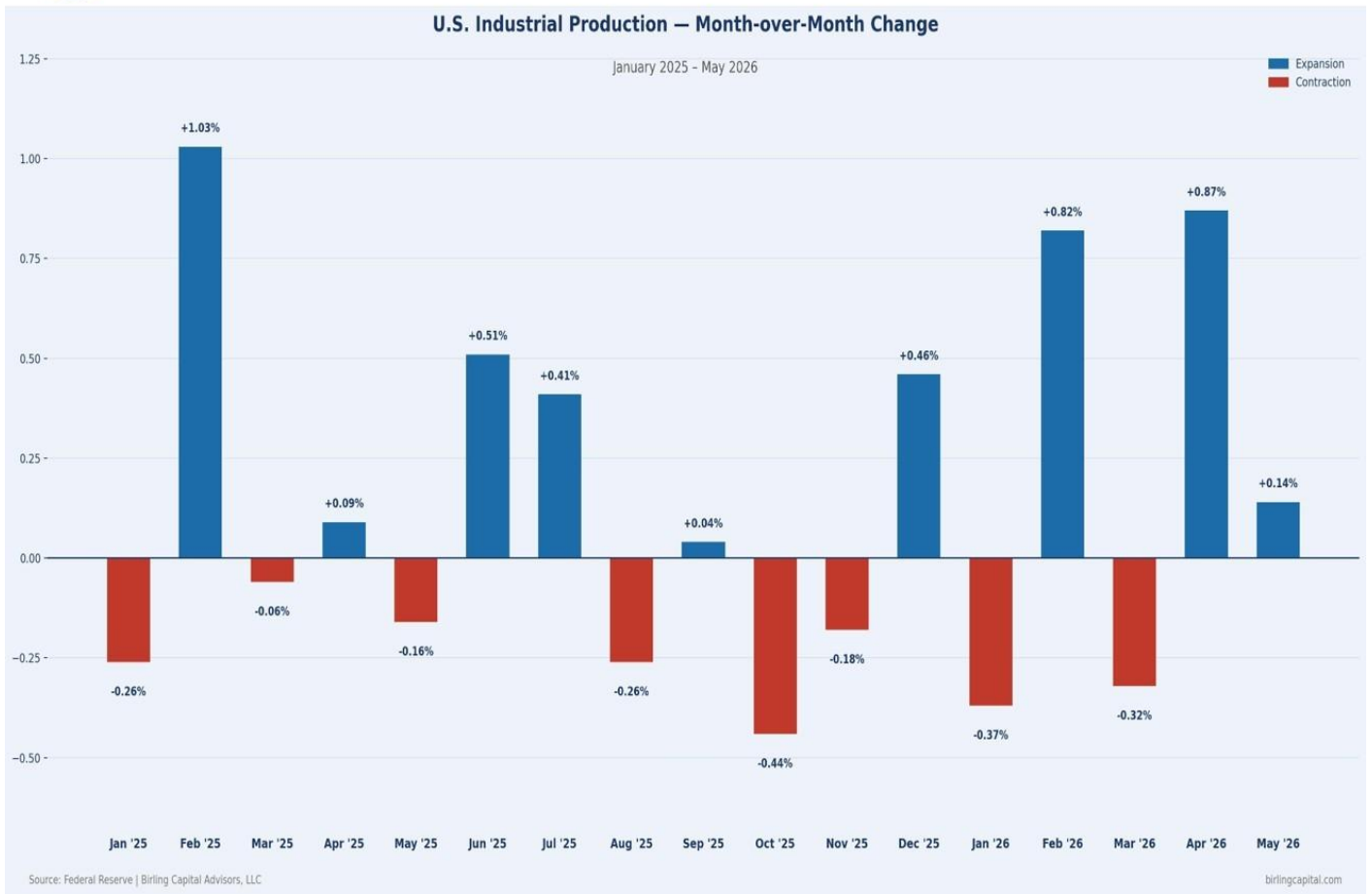
Eurozone Summary:

- **Stoxx 600:** closed at 634.44, up 1.23 points or 0.19%.
- **FTSE 100:** closed at 10,430.62, down 41.10 points or 0.39%.
- **DAX Index:** closed at 24,894.01, up 258.71 points or 1.05%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 51,671.03, up 468.77 points or 0.92%.
- **S&P 500:** closed at 7,554.29, up 122.83 points or 1.65%.

- **Nasdaq Composite:** closed at 26,683.94, up 795.09 points or 3.07%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,607.59, up 88.25 points or 1.95%.
- **Birling Capital U.S. Bank Index:** closed at 10,036.15, up 164.41 points or 1.67%.
- **U.S. Treasury 10-year note:** closed at 4.47%.
- **U.S. Treasury 2-year note:** closed at 4.07%.



Eurozone Market Close

Monday, June 15, 2026

Stoxx 600

Closing Price

634.44

▲ +1.23 pts

+0.19%



FTSE 100

Closing Price

10,430.62

▼ -41.10 pts

-0.39%



DAX Index

Closing Price

24,894.01

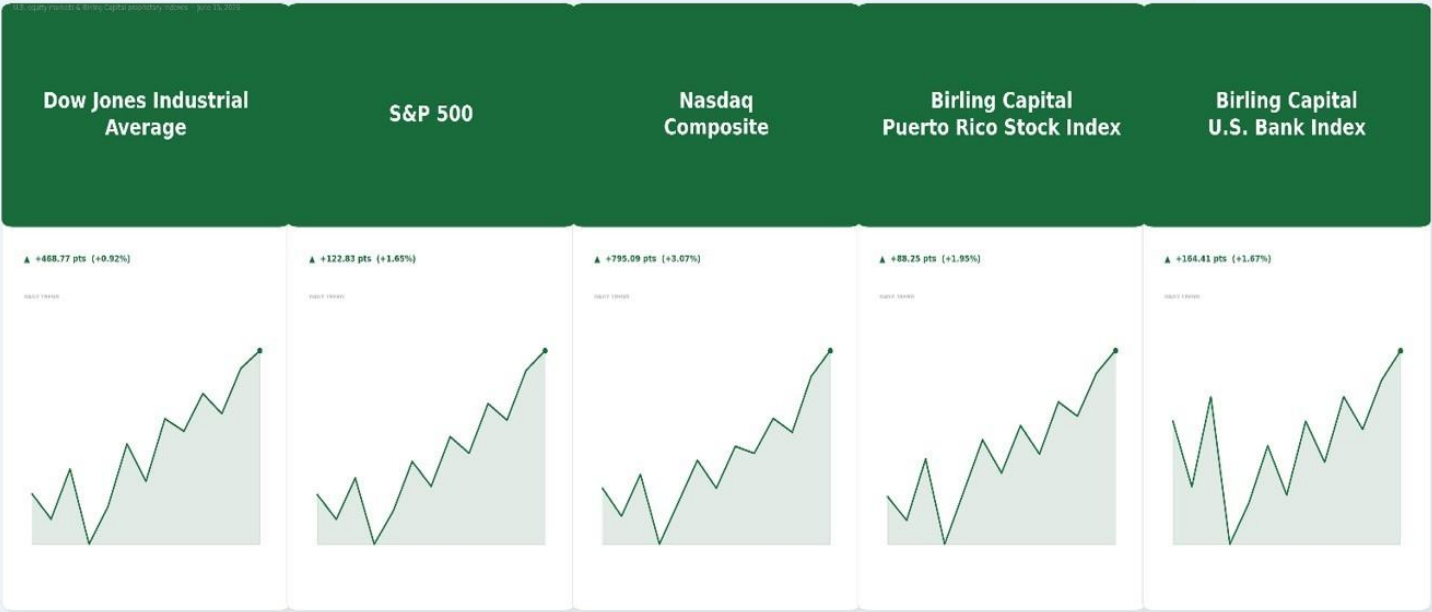
▲ +258.71 pts

+1.05%



Wall Street and Birling Capital Indexes Close

June 15, 2024



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Wall Street Recap

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