

Semiconductors Lead the Rebound as an Intel-Apple Deal and Iran Peace Agreement Shift the Narrative

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European Stock markets staged a broad recovery in the U.S and less robust in the EU Thursday, shaking off Wednesday's Fed-driven losses as two distinct catalysts converged. President Trump signed an interim peace agreement with Iran, paving the way for a reopening of the Strait of Hormuz. Separately, Intel surged after confirming a strategic chipmaking partnership with Apple — a deal that reframes Intel's domestic foundry ambitions and gives it a marquee anchor customer precisely when the market needed proof that AI infrastructure spending remains intact. The Nasdaq led the advance with a gain of 1.91%, the S&P 500 added 1.09%, and the Dow edged up 0.14%. The Birling Capital U.S. Bank Index gained 0.31%, while the Birling Capital Puerto Rico Stock Index declined 1.65%.

U.S. Markets

Intel was the session's defining stock. The Apple partnership — spanning advanced chip development and domestic packaging — signals a meaningful shift in Apple's supplier strategy and validates Intel's foundry pivot at a moment when skepticism about its execution had been building. Nvidia and Micron added to the sector's momentum, lifting the Philadelphia Semiconductor Index and reinforcing that capital flowing into AI infrastructure has not flinched despite the Federal Reserve's hawkish turn. The Nasdaq's 1.91% advance was its strongest single-day gain since early April.

Beneath the rally, however, the bond market told a more complicated story. The 2-year Treasury yield held at 4.19% — a breath away from Wednesday's 2026 high — and the dollar index climbed to its own 2026 peak against a trade-weighted basket of currencies. Both signal that markets are celebrating the geopolitical reprieve while quietly absorbing the reality that Chairman Warsh's Fed is not pivoting anytime soon. The separation between equity optimism and fixed-income caution is the defining tension heading into the second half of the year.

Major indexes are on track to post weekly gains despite Wednesday's midweek shock, a reminder that the underlying earnings and labor-market fundamentals have not changed — only the policy path above them has.

European Markets

European equities navigated a defensive rotation Thursday, with the continent's distinct cross-currents producing sharply divergent outcomes by index. The Stoxx 600 shed 2.17 points, or 0.34%, to close at 637.14. The FTSE 100 bore the sharpest loss, falling 108.91 points or 1.04% to 10,339.70, dragged by weakness in energy and mining as crude prices extended their slide. The DAX was the regional outlier, advancing 92.13 points or 0.37% to 25,026.80, carried by industrial and export-oriented names benefiting from a softer euro.

The contrast between London and Frankfurt captures a broader European story: the Continent is caught between a Federal Reserve tightening cycle that is strengthening the dollar and draining capital from growth assets, and an ECB navigating its own inflation dynamics at a different pace. Infineon Technologies and other European chipmakers remain under pressure as global semiconductor revenue growth softens — the mirror image of what is happening on Wall Street,

where the Intel-Apple deal injected fresh confidence into the sector. Investors across the region continue rotating toward defensive, value-oriented names, a posture that reflects both monetary policy uncertainty and mounting concern about the competitive gap widening between U.S. and Chinese technology platforms.

Energy Markets

WTI crude extended its decline toward the mid-\$70s per barrel as the U.S.-Iran agreement removed what had been the market's most acute supply-risk premium. With more than 100 tankers idled in the Gulf positioned to release pent-up supply once the Strait of Hormuz fully reopens, the directional pressure on oil remains downward. National average gasoline prices fell below \$4 a gallon Thursday for the first time in months — a development with real consumer purchasing power implications and a disinflationary tailwind that the Federal Reserve will be watching closely, even if it will not appear in the May PCE report due next week.

Federal Reserve and Economic Outlook

Thursday's initial jobless claims print told a quiet but important story: filings fell to 226,000 from 230,000 the prior week, holding near historically low levels and confirming that Wednesday's hawkish Fed shift was not a response to a deteriorating labor market — it was a response to an inflation problem that has not yet been solved. That distinction matters. In March, FOMC members were overwhelmingly flagging rising unemployment as the primary risk; by this week's meeting, labor-market risks were described as broadly balanced. What shifted was not the jobs picture — it was the inflation picture, and nearly every committee member still sees price risks tilted to the upside.

The near-term inflation path, however, may be more friendly than the dot plot implies. Gasoline below \$4 a gallon will work through softer headline CPI readings over the summer, even if May PCE — releasing next week — will still show elevated price growth. June's CPI and PCE reports, due in mid-July, are where the disinflation from lower energy costs should begin to register. Between now and then, May durable goods and personal income and spending data will offer a first look at whether business investment and consumer momentum are holding, while June PMI figures will provide a timelier read on sentiment. Most consequentially, FOMC members will be appearing in public — and what they say about Chair Warsh's more compressed press-conference guidance will reveal more about the committee's internal debate than the dot plot alone.

The Final Word: Market Perspective

Thursday's session was a study in layered signals. Equities recovered, semiconductors led, and the Iran deal handed investors a reason to buy. But the dollar at a 2026 high and the 2-year yield just off its own peak are not the fingerprints of a market that has fully digested a Fed prepared to hike again. The Intel-Apple deal is real and significant — it puts domestic chip manufacturing back in the growth narrative at exactly the right moment. The Iran agreement is real and significant — it has already taken nearly 40% off crude from its conflict peak. What is not yet resolved is whether inflation falls fast enough over the summer to make the Fed's projected tightening path unnecessary. That question, not geopolitics and not semiconductors, will write the second half of 2026.

Economic Data:

- **US Initial Jobless Claims:** fell to 226,000, down from 230,000 last week and down -1.74%.
- **30-Year Mortgage Rate:** rose to 6.52%, compared to 6.48% last week.
- **Japan Consumer Price Index YoY:** fell to 1.40%, compared to 1.50% last month.

Eurozone Summary:

- **Stoxx 600:** closed at 637.14, down 2.17 points or 0.34%.
- **FTSE 100:** closed at 10,339.70, down 108.91 points or 1.04%.
- **DAX Index:** closed at 25,026.80, up 92.13 points or 0.37%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 51,564.70, up 72.15 points or 0.14%.
- **S&P 500:** closed at 7,500.58, up 80.48 points or 1.08%.
- **Nasdaq Composite:** closed at 26,517.93, up 496.27 points or 1.91%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,543.28, down 76.45 points or 1.65%.
- **Birling Capital U.S. Bank Index:** closed at 10,306.56, up 31.48 points or 0.31%.
- **U.S. Treasury 10-year note:** closed at 4.46%.
- **U.S. Treasury 2-year note:** closed at 4.19%.



U.S. Initial Claims for Unemployment Insurance

Weekly seasonally adjusted figures — January 3 through June 13, 2026

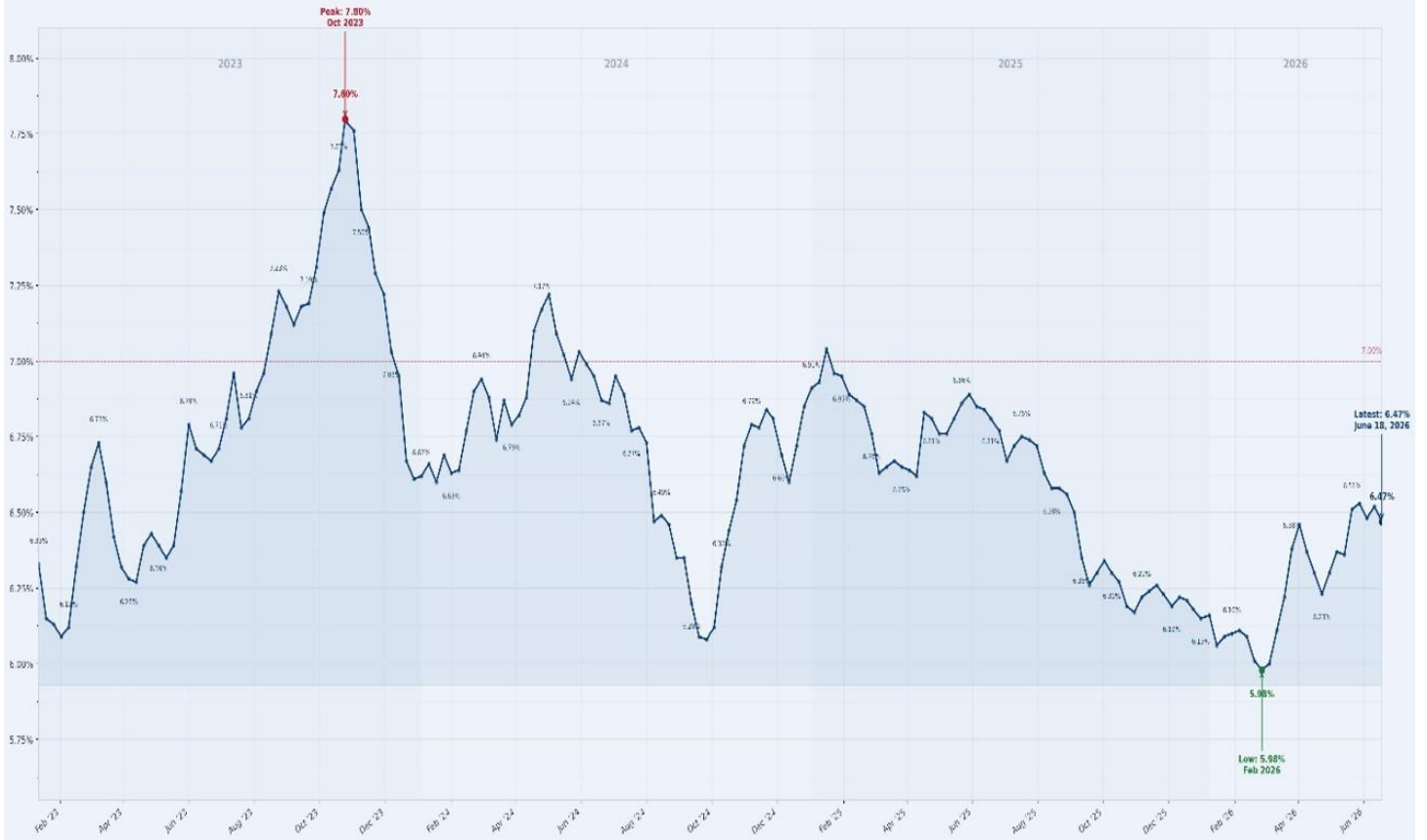


Source: U.S. Department of Labor

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30-Year Fixed Mortgage Rate

Weekly Average - January 2023 - June 18, 2026



Source: Freddie Mac Primary Mortgage Market Survey 2 (Birling Capital Advisors)

Eurozone Markets Close

June 18, 2026

Stoxx 600

Closing Price

637.14

▼ -2.17

-0.34%

FTSE 100

Closing Price

10,339.70

▼ -108.91

-1.04%

DAX

Closing Price

25,026.80

▲ +92.13

+0.37%

Source: Stoxx / LSE / Deutsche Börse

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Wall Street and Birling Capital Indexes Close

June 18, 2026

Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital PR Stock Index	Birling Capital U.S. Bank Index
Closing Price	Closing Price	Closing Price	Closing Price	Closing Price
51,564.70	7,500.58	26,517.93	4,543.28	10,306.53
▲ +72.15	▲ +80.48	▲ +496.27	▼ -76.45	▲ +31.48
+0.14%	+1.08%	+1.91%	-1.65%	+0.31%

U.S. Treasury 2-Year Note	U.S. Treasury 10-Year Note
4.19%	4.46%
Yield	Yield

27
bps



Wall Street Recap

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