

# S&P 500 and Nasdaq Reach Record Highs as Technology Rally Overcomes Geopolitical Uncertainty

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**The U.S. and European stock markets closed mixed** as investors balanced renewed optimism surrounding potential diplomatic progress between the **United States and Iran against continued geopolitical uncertainty and elevated energy market volatility**. Lower Treasury yields and a powerful technology-led rally supported equities, propelling the S&P 500 and Nasdaq to record highs even as broader market participation remained uneven.

Investor sentiment improved as markets interpreted President Trump's comments suggesting negotiations with Iran were "proceeding nicely" as a potential path toward reducing geopolitical risk and easing concerns about future energy supply disruptions. However, optimism remained measured after U.S. military forces conducted what officials described as defensive strikes in southern Iran, highlighting the fragile nature of the diplomatic process and maintaining a degree of caution across financial markets.

Energy markets reflected those competing forces. West Texas Intermediate crude declined to \$93.89 per barrel, while Brent crude rose to \$99.58, illustrating the market's continued struggle to price the balance between possible de-escalation and ongoing regional risks. Investors also continued monitoring the implications of elevated oil prices for inflation and future Federal Reserve policy decisions.

## U.S. Markets

**U.S. equities closed mixed, with technology stocks leading the advance and driving both the S&P 500 and Nasdaq Composite to record highs** while the Dow Jones Industrial Average lagged as investors favored growth-oriented sectors.

The S&P 500 gained 0.60% to a new record close, while the Nasdaq Composite advanced 1.20%, also reaching historic levels. In contrast, the Dow Jones Industrial Average fell 118 points, or 0.20%, reflecting a more selective risk appetite across the broader market.

Technology and semiconductor-related stocks dominated trading activity. Shares of Micron Technology surged 19%, leading gains across the sector as bullish analyst sentiment and stronger long-term demand expectations reinforced enthusiasm surrounding artificial intelligence infrastructure spending and memory markets.

The strength extended throughout the memory and data storage ecosystem. Seagate Technology gained approximately 4%, while Western Digital advanced roughly 8%, reinforcing broader technology leadership that continues driving market performance.

While equity investors embraced growth themes, markets continued confronting conflicting macroeconomic forces. Lower Treasury yields supported valuation expansion, yet elevated oil prices and persistent inflation concern tempered expectations for near-term monetary easing. Market participants increasingly recognize a continuing tug-of-war between powerful capital expenditure trends driven by artificial intelligence and broader concerns surrounding economic resilience, inflation persistence, and future Federal Reserve actions.

## European Markets

**European equities closed mixed to lower as investors balanced geopolitical uncertainty against improving market momentum** that had recently pushed regional indexes to multi-month highs. Market participants continued assessing developments in the Middle East and Eastern Europe while navigating sharp moves in energy markets and company-specific earnings. The benchmark STOXX Europe 600 declined 0.57%, pausing after Monday's strong rally that had propelled the index to its highest level in more than ten months, reflecting improving investor sentiment across the region.

Performance across major European exchanges was mixed. The FTSE 100 outperformed regional peers, supported by strength in mining and commodity-linked shares, while the DAX, CAC 40, and FTSE MIB traded lower as investors made profits following Monday's strong advance.

Geopolitical developments remained a central market driver. Investors closely monitored escalating tensions involving U.S. military activity in Iran and ongoing uncertainty in Ukraine. Market participants weighed increasingly mixed signals between diplomatic progress and military escalation, producing heightened volatility across energy and risk assets.

Energy markets reflected the uncertainty as crude prices moved in opposite directions throughout the session. International benchmark Brent crude approached the \$100-per-barrel threshold, while U.S. crude prices moved lower, reflecting differing expectations for potential supply disruptions and regional demand conditions.

Corporate developments also drove sector rotation across European markets. Shares of Ferrari declined sharply after investors reacted cautiously to details surrounding the company's first fully electric vehicle strategy. Meanwhile, BP came under pressure following unexpected leadership changes and governance concerns.

On the positive side, Kingfisher emerged among the strongest performers after reaffirming its full-year outlook despite softer comparable sales trends, suggesting management confidence in consumer demand conditions and operational resilience.

With no major economic releases scheduled during the session, European trading remained primarily headline-driven, leaving investors focused on geopolitical developments, oil price volatility, and the implications for inflation expectations and monetary policy across the region.

## Earnings & Corporate Fundamentals

Corporate earnings continued providing an important foundation for market stability as the reporting season approached completion.

With approximately 95% of S&P 500 companies reporting results, earnings performance significantly exceeded consensus expectations. **Approximately 84% of companies surpassed earnings-per-share estimates, generating an average upside surprise of roughly 17%.**

The strong reporting cycle materially altered earnings expectations. Current estimates suggest aggregate earnings growth is tracking near 27%, substantially above the approximately 12% growth expected at the end of the quarter.

Technology remained the dominant contributor to earnings growth, with sector earnings increasing more than 50% year over year. Strong contributions also came from communication services, materials, and consumer discretionary sectors.

Importantly, earnings participation widened considerably, with 10 of the 11 sectors reporting year-over-year growth.

## The Final Word: Market Sentiment

Markets are increasingly balancing three competing forces: resilient corporate earnings and accelerating artificial intelligence-driven capital spending; a Federal Reserve that remains cautious amid persistent inflation pressures; and continuing geopolitical uncertainty surrounding the Middle East.

Record highs in the S&P 500 and Nasdaq indicate investors continue rewarding growth, artificial

intelligence infrastructure spending, and technology leadership, yet divergence among major indexes highlights a market that remains selective rather than universally bullish. Lower Treasury yields have improved valuation conditions for growth assets, but elevated energy prices and inflation concerns continue limiting expectations for aggressive monetary easing. Investors will likely focus on upcoming inflation data, labor-market resilience, corporate guidance, and geopolitical developments as the principal catalysts determining whether the current rally broadens beyond technology leadership.

### Upcoming Economic Calendar

This week's key U.S. data releases all land on Thursday, May 28, at 8:30 AM ET: PCE and Core PCE inflation for April, the Q1 GDP revision, personal income, jobless claims, and durable goods orders. New home sales follow at 10:00 AM. Tuesday brings the Case-Shiller home price index, and Wednesday brings the Richmond Fed survey and retail gas prices. Canada reports Q1 GDP on Friday. See our chart below for more color.

### Inflation Nowcasting:

- **PCE Price Index YoY:** 3.83%
- **Core PCE Price Index YoY:** 3.31%

### Economic Data:

- **Case-Shiller Composite 20 Home Price Index YoY:** fell to 0.89%, down from 1.21% last month.
- **Case-Shiller Home Price Index: National:** rose to 332.10, up from 331.80 last month.
- **Japan Business Conditions Composite Coincident Index:** rose to 116.40, up from 116.20 last month.

### Eurozone Summary:

- **Stoxx 600:** closed at 628.01, down 3.62 points or 0.57%.
- **FTSE 100:** closed at 10,491.39, up 25.13 or 0.24%.
- **DAX Index:** closed at 25,184.89, down 204.21 points or 0.80%

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 50,461.68, down 118.02 points or 0.23%
- **S&P 500:** closed at 7,519.12, up 45.65 points or 0.61%.
- **Nasdaq Composite:** closed at 26,656.18, up 312.21 points or 1.19%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,314.65, up 6.02 points or 0.14%.
- **Birling Capital U.S. Bank Index:** closed at 9,279.54, up 51.73 points or 0.56%
- **U.S. Treasury 10-year note:** closed at 4.50%.
- **U.S. Treasury 2-year note:** closed at 4.01%.



## ECONOMIC DATA RELEASES

Week of May 26-29, 2026 · 19 Indicators · All Times Eastern

Time	Indicator	Period	Value	Freq	Region	Impact
<b>TUE MAY 26</b>						
1:00 AM	Business conditions composite coincident index	Mar 2026 (R)	<b>116.50</b>	Monthly	JP	Low
9:00 AM	Case-Shiller composite-20 home price index YoY	Mar 2026	<b>0.89%</b>	Monthly	US	Med
9:00 AM	Case-Shiller home price index: national	Mar 2026	<b>332.10</b>	Monthly	US	Med
<b>WED MAY 27</b>						
10:00 AM	Richmond Fed manufacturing index	May 2026	<b>3.00</b>	Monthly	US	Med
4:30 PM	Retail gas price	Wk May 25	<b>\$4.621/gal</b>	Weekly	US	Med
<b>THU MAY 28 — MAJOR RELEASE DAY</b>						
8:30 AM	PCE price index YoY	Apr 2026	<b>3.50%</b>	Monthly	US	High
8:30 AM	Core PCE price index YoY	Apr 2026	<b>3.20%</b>	Monthly	US	High
8:30 AM	Real GDP QoQ	Q1 2026 (R)	<b>2.00%</b>	Quarterly	US	High
8:30 AM	Personal income MoM	Apr 2026	<b>0.56%</b>	Monthly	US	Med
8:30 AM	Initial jobless claims	Wk May 23	<b>209,000</b>	Weekly	US	High
8:30 AM	4-week avg — initial claims	Wk May 23	<b>202,500</b>	Weekly	US	Med
8:30 AM	Durable goods new orders MoM	Apr 2026	<b>0.83%</b>	Monthly	US	Med
10:00 AM	12-month trimmed mean PCE inflation rate	Apr 2026	<b>2.36%</b>	Monthly	US	Med
10:00 AM	New single-family houses sold	Apr 2026	<b>682K</b>	Monthly	US	Med
10:00 AM	Durable goods new orders MoM (Mar revised)	Mar 2026	<b>-1.28%</b>	Monthly	US	Low
10:00 AM	Canada current account balance	Q1 2026	<b>-C\$706M</b>	Quarterly	CA	Low
<b>FRI MAY 29</b>						
12:30 AM	Unemployment rate	Apr 2026	<b>2.70%</b>	Monthly	JP	Low
1:00 AM	Housing starts YoY	Apr 2026	<b>-29.29%</b>	Monthly	JP	Low
8:30 AM	Real GDP QoQ (Canada)	Q1 2026	<b>-0.60%</b>	Quarterly	CA	High

Think Strategically™ · birlingcapital.com · Sources: BEA, BLS, Census Bureau, Federal Reserve, Statistics Canada, Japan Statistics Bureau

# INFLATION NOWCASTING

Real-time estimate · May 2026 · Federal Reserve preferred gauges

Fed target: 2.00%

## PCE Price Index YoY

**3.83%**

Personal consumption expenditures price index — headline measure

Above Fed target by +183 bps



## Core PCE Price Index YoY

**3.31%**

Excluding food & energy  
Fed's primary policy target gauge

Above Fed target by +131 bps



## Eurozone Market Close

Stoxx 600 · FTSE 100 · DAX Index · May 26, 2026

Stoxx 600

**628.01**

▼ **-3.62 (-0.57%)**

Closing Price

FTSE 100

**10,491.39**

▲ **+25.13 (+0.24%)**

Closing Price

DAX Index

**25,184.89**

▼ **-204.21 (-0.80%)**

Closing Price

## Wall Street Market Close

Dow Jones · S&P 500 · Nasdaq · Birling Indices · U.S. Treasuries · May 26, 2026

Dow Jones	S&P 500	Nasdaq	Birling PR Index	Birling U.S. Bank Idx
<b>50,461.68</b>	<b>7,519.13</b>	<b>26,656.18</b>	<b>4,314.65</b>	<b>9,279.54</b>
▼ -118.02	▲ +45.66	▲ +312.21	▲ +6.02	▲ +51.73
(-0.23%)	(+0.61%)	(+1.19%)	(+0.19%)	(+0.56%)
Closing Value	Closing Value	Closing Value	Closing Value	Closing Value

<p><b>10-Yr Treasury</b></p> <p><b>4.50%</b></p> <p>Yield · U.S. Treasury Note</p>	<p><b>2-Yr Treasury</b></p> <p><b>4.01%</b></p> <p>Yield · U.S. Treasury Note</p>
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10Yr - 2Yr Spread: +49 bps · Upward Sloping Yield Curve

# Wall Street Recap

## May 26, 2026



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