

Dow Reaches Another Record High as Easing Treasury Yields and Middle East Diplomacy Fuel Eighth Straight Weekly Gain for S&P 500

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The U.S. stocks closed higher, while European markets ended lower, as investors weighed easing Treasury yields, moderating energy market volatility, and growing optimism surrounding diplomatic efforts to reduce tensions between the United States and Iran.

Investor sentiment improved throughout the U.S. session after reports indicated that Qatar, coordinating with the United States, dispatched negotiators to Tehran to advance discussions aimed at ending the conflict between the U.S. and Iran. While uncertainty surrounding the negotiations remained elevated, markets interpreted the renewed diplomatic activity as a signal that a broader regional escalation may still be avoidable.

The decline in bond yields also helped improve risk appetite after fixed-income volatility earlier in the week pressured equities and raised concerns about inflation and long-term borrowing costs. The benchmark 10-year U.S. Treasury yield declined nearly three basis points to approximately 4.56%, while the 30-year Treasury yield retreated more than four basis points to near 5.06%, easing after reaching its highest level since 2007 earlier in the week.

Energy markets stabilized as investors balanced geopolitical risks against rising expectations that negotiations could eventually lead to a reduction in hostilities. Brent crude settled 0.9% higher at \$103.54 per barrel, while West Texas Intermediate crude rose modestly to \$96.60 per barrel, both remaining well below the peaks reached earlier during the conflict escalation.

U.S. Markets

U.S. equities advanced broadly, with the Dow Jones Industrial Average reaching another historic milestone as investors rotated back into equities amid declining Treasury yields and improving confidence that geopolitical tensions may gradually stabilize.

The Dow Jones Industrial Average gained 294.04 points, or 0.58%, to close at a record 50,579.70 after also reaching a new intraday all-time high during the session. The S&P 500 advanced 0.37% to finish at 7,473.47, while the Nasdaq Composite rose 0.19% to close at 26,343.97. Although the major indexes closed below their intraday highs, investor sentiment remained constructive throughout most of the session.

The market's resilience reflected growing investor confidence that strong corporate earnings, easing interest-rate pressures, and continued investment in artificial intelligence will continue to outweigh near-term geopolitical risks. Investors also interpreted the retreat in Treasury yields as reducing the likelihood that elevated energy prices would force the Federal Reserve to maintain restrictive monetary policy for longer than anticipated.

Technology and semiconductor shares remained among the market's primary leaders. Qualcomm surged nearly 12% during Friday's session, extending its weekly gain to more than 18% as investors continued to reward companies benefiting from accelerating AI-related demand and next-generation computing infrastructure spending.

The broader market rally continued demonstrating impressive durability despite elevated geopolitical uncertainty and periodic spikes in bond-market volatility. The S&P 500 gained 0.9% for the week, marking its eighth consecutive weekly advance and the index's longest winning streak since late 2023. The Dow Jones Industrial Average outperformed with a weekly gain of 2.1%, while the Nasdaq Composite added 0.5%, recording its seventh weekly advance in the past eight weeks. Importantly, the market's continued strength has increasingly reflected broad-based earnings growth rather than speculative valuation expansion alone. Investors have remained encouraged by resilient corporate profitability, moderating inflation expectations, and evidence that the U.S. economy continues to expand despite slower growth and tighter monetary policy. Market participants will continue to closely monitor developments involving U.S.-Iran negotiations, Treasury yield movements, inflation expectations, and corporate earnings momentum as the principal drivers shaping investor sentiment in the weeks ahead.

European Markets

European markets closed lower as investors continued assessing geopolitical developments involving Iran and Ukraine, while balancing inflation concerns and shifting defense spending dynamics across the continent.

The Stoxx Europe 600 Index declined 0.5%, with most sectors ending in negative territory as major European indexes in London, Paris, and Frankfurt retreated alongside weaker Asian markets. Italy's FTSE MIB outperformed regional peers, advancing 0.5% as investors rotated selectively into industrial and financial shares.

Investor sentiment remained cautious amid conflicting headlines surrounding negotiations between the United States and Iran. Markets initially found support after U.S. Secretary of State Marco Rubio stated that diplomatic talks with Iran had shown progress and that the United States intended to "give negotiations every chance to succeed." However, uncertainty persisted after President Trump reiterated that Iran would not be allowed to control the strategically critical Strait of Hormuz under any future agreement.

Confusion surrounding the status of negotiations further contributed to market volatility. Iranian state media reports suggesting Tehran had committed to restoring commercial traffic through the Strait of Hormuz to pre-war levels within one month of an agreement were later rejected by the White House as "a complete fabrication." At the same time, reports confirming additional U.S. defensive military strikes inside Iran reinforced concerns that geopolitical tensions remain fragile despite ongoing diplomatic efforts.

European defense shares significantly outperformed the broader market after Ukraine's parliament ratified a €90 billion (\$104.6 billion) European Union loan agreement to support Ukraine's war and reconstruction efforts. The development strengthened expectations for sustained increases in European defense spending and military procurement activity.

Sweden's Saab led gains across the Stoxx 600, surging 7.4% following reports that Ukrainian President Volodymyr Zelenskyy and Swedish Prime Minister Ulf Kristersson may announce an agreement involving Saab Gripen fighter jets during Zelenskyy's visit to Sweden. The two nations previously signed a letter of intent that could ultimately lead to the sale of up to 150 Gripen aircraft to Ukraine. Defense-sector momentum extended across Europe, with Germany's Renk advancing 5.4%, France's Exail Technologies jumping 13.2%, and Rheinmetall gaining 4.2% as investors positioned for a prolonged expansion in European military modernization spending.

Outside the defense sector, Spain's eDreams Odigeo rose 11.3% after reporting stronger quarterly profitability and continued growth in its subscription-based membership platform, despite earnings modestly missing analyst expectations. Meanwhile, Polish energy giant Orlen gained more than 1% after posting first-quarter EBITDA results that exceeded market forecasts, supported by resilient refining and energy operations.

European investors also closely monitored U.S. inflation developments after April Personal Consumption Expenditures inflation data largely matched expectations, reinforcing the view that the

Federal Reserve is likely to maintain a cautious, patient monetary policy stance throughout the remainder of the year.

Energy & Commodities

Oil prices rose as geopolitical risk premiums remained embedded in energy markets following reports of additional U.S. military activity against Iran.

West Texas Intermediate crude traded near \$91 per barrel, while Brent crude remained above the psychologically important \$95 threshold. Investors continue to closely monitor the Strait of Hormuz and broader developments in the Middle East, given the region's critical importance to global oil transportation flows.

Gold prices were relatively stable as investors balanced safe-haven demand against steady Treasury yields and a resilient U.S. dollar.

The Final Word: Market Perspective

Markets continue navigating the intersection of moderating economic growth, resilient corporate earnings, easing interest-rate pressures, and persistent geopolitical uncertainty. While inflation remains above the Federal Reserve's long-term objective, slowing wage growth, improving labor-market balance, and stabilizing Treasury yields continue supporting expectations that policymakers will maintain a patient and measured stance rather than resume aggressive monetary tightening.

The recent equity rally has been driven primarily by strong earnings growth, expanding investment in artificial intelligence, and improving corporate fundamentals, rather than excessive valuation expansion alone, providing a healthier and more sustainable foundation for the market's advance. Continued leadership from technology and semiconductor shares, combined with improving participation from cyclical sectors, suggests investors remain confident in the broader earnings outlook despite slower economic growth.

At the same time, markets remain highly sensitive to Treasury yield movements, energy-price volatility, and developments surrounding U.S.-Iran negotiations. Although periods of consolidation and elevated volatility would not be surprising following the market's substantial rebound since April, the broader investment backdrop continues to favor equities as long as earnings momentum, labor-market resilience, and financial conditions remain relatively stable.

Investors are likely to continue monitoring inflation trends, Federal Reserve policy expectations, geopolitical developments in the Middle East, and corporate earnings guidance as the principal catalysts shaping market direction during the weeks ahead.

GDPNow Update:

- The GDPNow for the second quarter was updated today, **falling to 3.80%**, down from 4.30%, a **11.63% decrease**.

Economic Data:

- **US PCE Price Index YoY:** rose to 3.77%, compared to 3.53% last month.
- **US Core PCE Price Index YoY:** rose to 3.29%, compared to 3.24% last month.
- **US Initial Claims for Unemployment Insurance:** rose to 215,000, up from 210,000 last week, increasing by 2.38%.
- **US Durable Goods Excluding Defense New Orders MoM:** rose to 8.08%, compared to -0.26% last month.
- **US Total Vehicle Sales:** fell to 16.39 million, down from 16.54 million last month, decreasing -0.86%.
- **US Personal Income MoM:** fell to -0.00%, compared to 0.50% last month.
- **US Personal Spending MoM:** fell to 0.51%, compared to 0.98% last month.

- **US New Single Family Houses Sold:** fell to 622,000, down from 663,000 last month, a decrease of 6.18%.
- **30 Year Mortgage Rate:** rose to 6.53%, compared to 6.51% last week.

Eurozone Summary:

- **Stoxx 600:** closed at 625.11, down 3.07 points or 0.49%.
- **FTSE 100:** closed at 10,425.96, down 79.05 or 0.75%.
- **DAX Index:** closed at 25,092.25, down 85.55 points or 0.34%

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 50,668.97, up 24.69 points or 0.05%
- **S&P 500:** closed at 7,563.63, up 43.27 points or 0.58%.
- **Nasdaq Composite:** closed at 26,917.47, up 242.73 points or 0.91%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,303.10, down 27.50 points or 0.64%.
- **Birling Capital U.S. Bank Index:** closed at 9,226.63, down 111.18 points or 1.19%
- **U.S. Treasury 10-year note:** closed at 4.45%.
- **U.S. Treasury 2-year note:** closed at 3.99%.



GDPNow

Second Quarter 2026 Forecast

Atlanta Fed GDPNow — 2Q 2026 Forecast Tracker

April 30 - May 28, 2026

Latest Estimate

3.80%

▼ -11.63% vs prior



Source: Federal Reserve Bank of Atlanta

U.S. Initial Claims for Unemployment Insurance

Weekly data · January 3 - May 23, 2026

Latest

215,000

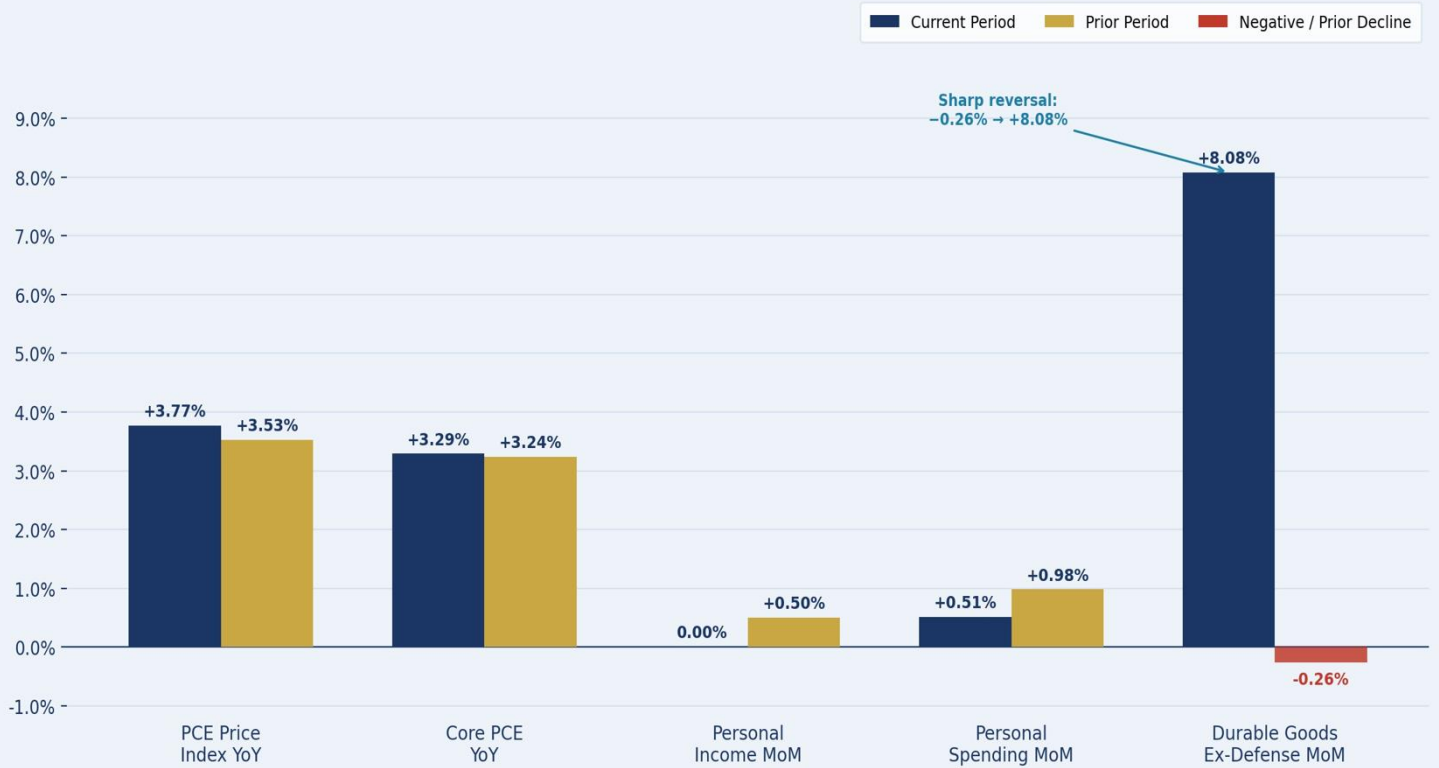
▲ +2.38% vs prior week



Source: U.S. Department of Labor · Bureau of Labor Statistics

U.S. Economic Indicators Dashboard

Week of May 28, 2026 · Selected MoM and YoY Indicators



Source: BEA · BLS · U.S. Census Bureau

Eurozone Market Close

Stoxx 600 · FTSE 100 · DAX Index · May 28, 2026

Stoxx 600

625.11

▼ **-3.07 (-0.49%)**

Closing Price



Daily trend

FTSE 100

10,425.96

▼ **-79.05 (-0.75%)**

Closing Price



Daily trend

DAX Index

25,092.25

▼ **-85.55 (-0.34%)**

Closing Price

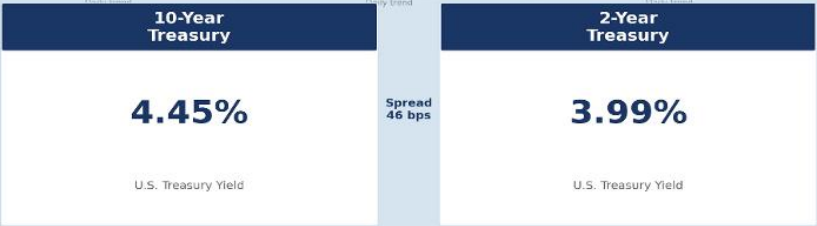
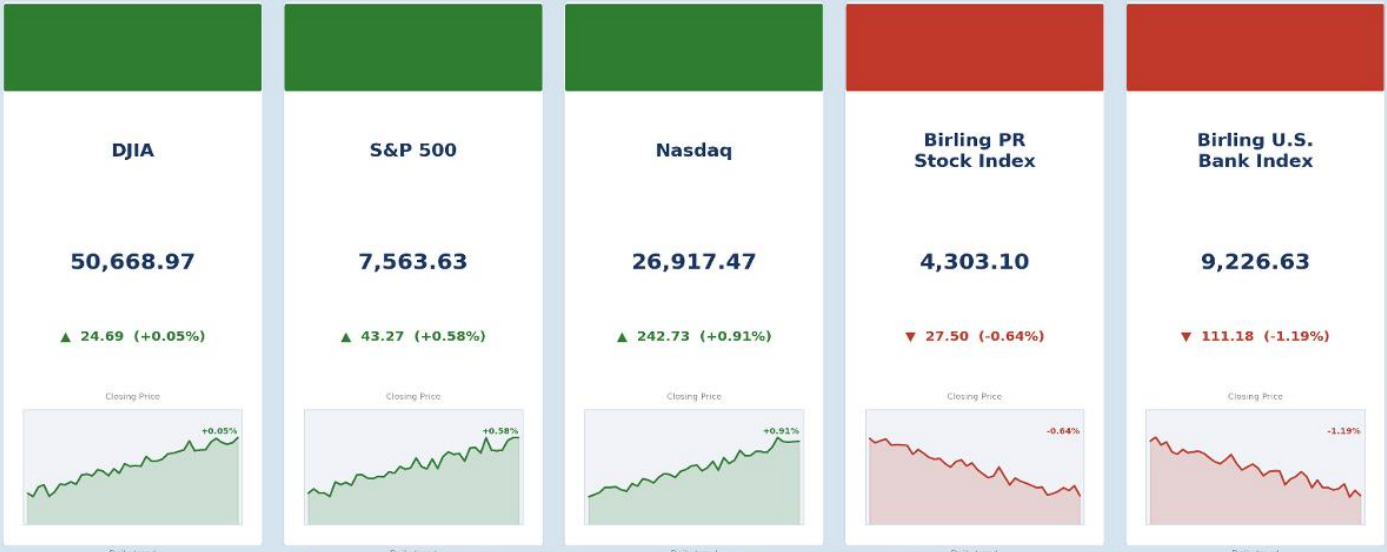


Daily trend



Wall Street Market Close

DJIA · S&P 500 · Nasdaq · Birling PR Stock Index · Birling U.S. Bank Index · May 28, 2026



Source: Bloomberg | Think Strategically™

Wall Street Recap

May 28, 2026



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