GLOBAL MARKET SQUARE

BIRLING CAPITAL ADVISORS, LLC

Dow drops more than 500 points as Nvidia's post-earnings rally fades and the Nasdaq edges higher

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The U.S. and European stock markets ended the session on a weak note on Wednesday as the lift from Nvidia's results faded. The Dow Jones Industrial Average fell 561.25 points, or 1.11%, to close at 50,198.17, weighed down by UnitedHealth, Chevron and Caterpillar. The S&P 500 slipped 0.23% to 7,323.65, while the Nasdaq Composite rose 0.42% to 24,429.88. European markets closed lower for a second straight day; with all three benchmarks we follow down about 1% or more. Investors are now focused on Anthropic's IPO, expected to begin trading on Thursday.

U.S. Markets

The Dow Jones Industrial Average fell 561.25 points, or 1.11%, to 50,198.17, the S&P 500 slipped 16.88 points, or 0.23%, to 7,323.65, and the Nasdaq Composite rose 101.50 points, or 0.42%, to 24,429.88. The Birling Capital Puerto Rico Stock Index fell 2.27% to 4,790.59, and the Birling Capital U.S. Bank Index fell 1.68% to 9,183.04. The 10-year Treasury yield closed at 5.07%, down from 5.10% on Tuesday.

Nvidia shares gave up early gains and traded more than 2% lower, even though the company beat analyst estimates for third-quarter profit and revenue. It also raised its revenue guidance for the fiscal year ending January 2028, calling for growth of 75% from a year earlier, up from 70%. This was Nvidia's first report since Jensen Huang resigned as chief executive last week amid a personal scandal. Board chair Harvey Jones said at the start of the earnings call that the board does not intend to bring him back.

Eric Parnell of Great Valley Advisor Group said the market should be able to work through the leadership change, as it has with past transitions. However, he cautioned that the larger challenges facing the AI trade, including heavy capital spending and debt financing, have not gone away. He said even a modest slowdown in earnings growth could quickly pull these stocks lower, and he expects more volatility through 2027 and into 2028.

Outside technology, the Dow was dragged lower by UnitedHealth, which lost 8%, along with Chevron, down more than 3%, and Caterpillar, down nearly 2%. On Tuesday, the Dow fell more than 1%, the S&P 500 posted its lowest close since July 29, and the Nasdaq dropped almost 1% and touched its lowest level since April during the session.

Retailers also reported. Target and TJX rose after strong results and upbeat outlooks, and Target and Lowe's both posted quarterly sales above expectations, a sign that consumer spending is holding up in selected areas. Lowe's, however, offered a more cautious forecast, pointing to continued macroeconomic uncertainty. TJX reported third-quarter revenue of $15.95 billion, up 4%, and net income of $1.54 billion, up 7%, with earnings per share of $1.39. Early in the day, WTI crude traded around $85 a barrel, modestly lower.

European Markets

European stocks fell for a second straight session on Wednesday; with all three benchmarks we follow losing about 1% or more. The relief that Nvidia's strong results gave U.S. markets did not carry over to Europe. The pan-European Stoxx 600 fell 0.98% to 644.35, the FTSE 100 lost 1.30% to 10,551.17, and Germany's DAX gave up 1.11% to 25,756.83.

The FTSE 100 was the weakest of the three, falling 138.70 points. Its large weighting in energy and other commodity-linked companies left it exposed as oil prices edged lower. Treasury yields stayed high even as they eased slightly, and investors in Europe remained cautious about borrowing costs and the uncertainty around technology, with several big events still ahead this week, including the Anthropic IPO on Thursday.
The three indexes we follow closed lower: Stoxx 600, down 6.37 points; FTSE 100, down 138.70 points; and DAX Index, down 288.54 points.

The economy is solid, but higher rates are weighing on housing
Consumer spending stayed firm in October. Retail sales rose 0.2% from September, and control-group sales, which exclude several volatile categories and feed into GDP, rose a strong 0.6%. Job growth has also picked up, with payrolls rising an average of 137,000 over the past three months and unemployment low at 4.1%. Together with a rebound in manufacturing and healthy business investment, this helped real GDP grow 3.4% annually in the third quarter.
The effect of higher interest rates is showing up in interest-rate-sensitive areas such as housing. The NAHB/Wells Fargo Housing Market Index fell in November to its lowest level since 2012, as elevated borrowing costs weigh on builders. Data released Wednesday showed building permits, a gauge of future construction, fell in October to their lowest level since the pandemic. Housing starts partly offset that, rising almost 10% from September.
We remain constructive on the outlook for the coming months, supported by resilient consumers and strong investment. Even so, weakness in select areas may point to slower growth over the coming year.

Anthropic's IPO is the next test for AI sentiment
Anthropic is expected to begin trading Thursday. Its shares are expected to be priced above the current range of $70 to $78, according to multiple sources cited by CNBC, and reports of strong investor demand could push its valuation toward or above $1.5 trillion. The listing should show how much appetite investors still have for AI-related companies after a week of heavy selling in technology.
UBS added a note of caution on Tuesday, saying the market may be underestimating competition from China in AI. Strategist Reinout De Bock said the key question is not just how fast AI spending grows, but who will own the infrastructure, control the data and capture the profits.

The Final Word
Nvidia's results gave the market only a brief lift, and the Dow's 561-point drop shows how quickly sentiment can turn. Consumers and the economy remain solid, while higher rates keep pressure on housing, and the Anthropic debut will test sentiment toward AI. Stay diversified and avoid relying on any single theme.

Corporate Earnings Parade:

- **The TJX Cos., Inc. (TJX)** reported third-quarter 2026 earnings with revenues of $15.95 billion, up 4%; net income of $1.54 billion, up 7%, beating estimates and earnings per share of $1.39, with a Stock Price Objective of $165.40.

GDPNow Update:

- The **GDPNow** for the fourth quarter of 2026 was updated on November 18, 2026, to 3.20%, down from 3.40%—a 5.88% decrease.

Economic Update:

- **US Housing Starts:** rose to 1.309 million, up from 1.191 million last month, an increase of 9.91%.
- **US Building Permits:** fell to 1.295 million, down from 1.398 million last month, a decrease of 7.37%.
- **Japan Machinery Orders YoY:** rose to 18.45%, compared to 12.19% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 644.35, down 6.37 points, or 0.98%.
- **FTSE 100:** Closed at 10,551.17, down 138.70 points, or 1.30%.
- **DAX Index:** Closed at 25,756.83, down 288.54 points, or 1.11%.

Wall Street Summary:

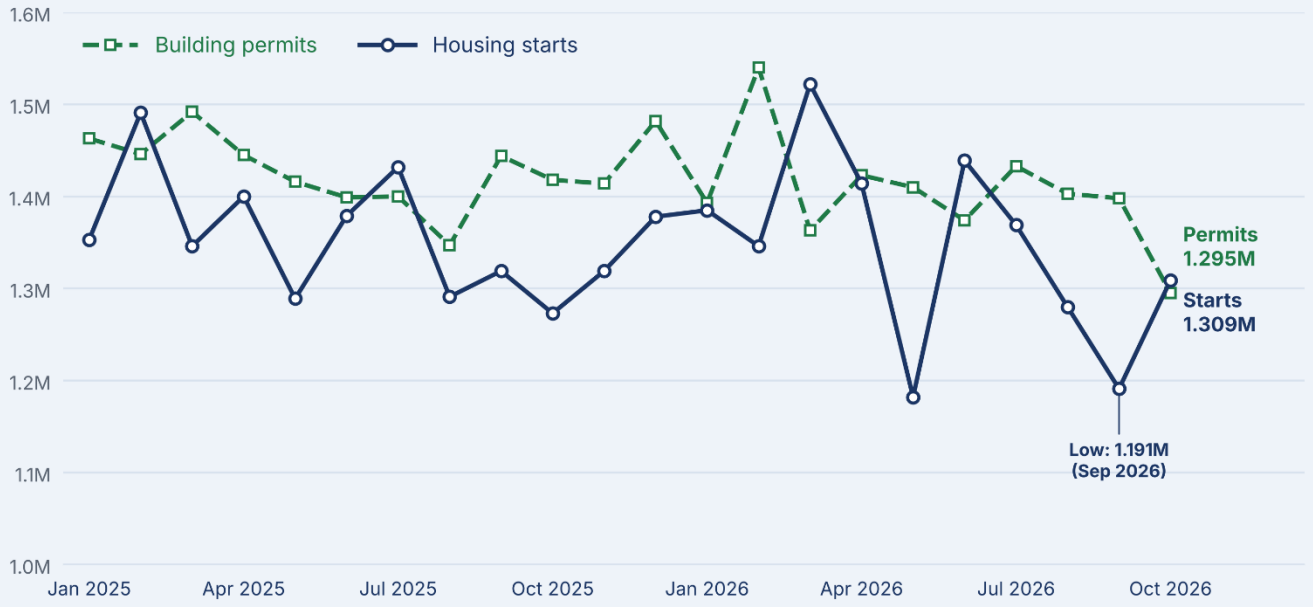
- **Dow Jones Industrial Average:** Closed at 52,347.55, up 50.46 points, or 0.10%.
- **S&P 500:** Closed at 7,561.67, down 30.73 points, or 0.40%.
- **Nasdaq Composite:** Closed at 25,136.27, down 229.82 points, or 0.91%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,790.59, down 111.24 points, or 2.27%.
- **Birling Capital U.S. Bank Index:** closed at 9,183.04, down 156.94 points, or 1.68%.
- **U.S. Treasury 10-year note:** Closed at 5.15%.
- **U.S. Treasury 2-year note:** Closed at 4.88%



U.S. Housing Starts and Building Permits

Millions of units, annual rate, January 2025 to October 2026

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Source: U.S. Census Bureau — Birling Capital Advisors

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European Indexes Extend Losses

Wednesday, November 18, 2026

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Stoxx 600	FTSE 100	DAX Index
Closing price	Closing price	Closing price
644.35	10,551.17	25,756.83
▼ 6.37 points	▼ 138.70 points	▼ 288.54 points
-0.98%	-1.30%	-1.11%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street and Birling Capital Indexes Close

Wednesday, November 18, 2026

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Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital Puerto Rico Stock Index	Birling Capital U.S. Bank Index
Closing price	Closing price	Closing price	Closing price	Closing price
50,198.17	7,323.65	24,429.88	4,790.59	9,183.04
▼ 561.25 points	▼ 16.88 points	▲ 101.50 points	▼ 111.24 points	▼ 156.94 points
-1.11%	-0.23%	+0.42%	-2.27%	-1.68%

U.S. Treasury 10-year note	U.S. Treasury 2-year note
5.07%	4.80%

Source: Bloomberg, LSEG — Birling Capital Advisors

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