Dow Jones Jumps 1,570 Points for its Best Day Since April as Clear Democratic Win and Falling Oil Lifts Markets

November 4, 2026

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The U.S. and European stock markets traded sharply higher Wednesday as a decisive Democratic win in the midterm elections, President Trump's acceptance of the results and a steep drop in oil prices cleared away the political risk investors had been carrying. Democrats won majorities in both the House and Senate, but the White House stays in Republican hands; a divided Washington will mar it.
US Treasury yields and oil prices are lower, the dollar is softer, and a better-than-expected ADP jobs report adds to the case for a resilient economy.

U.S. Markets
Wall Street is rewarding clarity. The margin of the results and President Trump's indication that he will accept the outcome have removed a tail risk investors had been pricing in. The market is also looking past a Democratic Congress's potential scrutiny of some sectors, with legislative gridlock now the base case. That outcome makes it harder to pass new debt-financed stimulus, which could have added to inflation. The Dow rose 1,569.40 points, back above 53,000; the S&P rose 1.58%, and the Nasdaq gained 1.44%.
Two forces drove the rally. The first was the election itself. Democrats took both chambers and won key governorships, including Texas, and Trump said he would accept the outcome and work with the new majority. That removed a tail risk that investors had been pricing, and it makes a divided government the base case. The market has historically preferred that setup, since fewer new tax, spending, and regulatory changes can pass. As Morgan Stanley Investment Management's Andrew Slimmon put it, investors like gridlock and are wary of a party with too much power.
The second force was oil. U.S. crude fell more than 8%, with Brent futures down by a similar amount, after Vice President JD Vance tied Republican losses to the Iran war. Investors are betting that voter anger over inflation and gasoline prices will push Washington toward ending the conflict. Peter Boockvar of One Point BFG Wealth Partners said the pressure to do so will only grow, though he added that it remains to be seen.
Leadership favored companies tied to the economy and shares outside of technology, with Walmart up 4% and Bank of America up 3%. The AI build-out was the exception. Investors feared a larger Democratic win could mean tighter limits on data centers, and Texas governor-elect Gina Hinojosa has pledged an immediate moratorium in a key data center hub. CoreWeave and Texas-based SpaceX traded lower. Jay Woods of Freedom Capital Markets credited part of the rebound to the president's initial tone, while cautioning that more uncertainty lies ahead.
The rally was not universal in our own indexes. The Birling Capital Puerto Rico Stock Index slipped 1.34% to 4,893.32, and the Birling Capital US Bank Index eased 0.24% to 9,359.26.
The ADP report supported the mood: private employers added 86,000 jobs in October, ahead of the 72,000 forecast, and the figure matched September's downwardly revised gain.

European Markets
European stocks closed firmly higher on Wednesday, and all three benchmarks we follow gained between 1.8% and 2.2%. Investors read the U.S. midterm outcome as a step toward predictability, and lower bond yields, a softer dollar and falling energy prices helped the move. Germany's DAX led the advance, jumping 2.22% to 26,437.67. Its industrial and export-heavy mix tends to benefit when energy costs ease, and global demand looks steadier. The Stoxx 600 gained 1.82% to 657.40, suggesting the rally was broad rather than driven by a few names. The FTSE 100 rose 1.79% to 10,829.21, a notable gain for an index with heavy energy and mining weights on a day when crude was softer. Asian markets finished mixed overnight, so Europe was following Wall Street's improved mood more than any single local catalyst. The three indexes we follow closed higher: Stoxx 600, up 11.74 points; FTSE 100, up 190.78 points; and DAX Index, up 573.05 points.

Why Gridlock Helps Bonds
The bond market is reacting to what is less likely to happen. With Congress and the White House under different parties, major tax cuts and spending bills face a steeper path, lowering the odds of larger deficits and heavier Treasury issuance. That eases pressure on the long end of the curve, and the 10-year yield is near 4.92%. At the short end, traders are pricing in somewhat less Fed tightening in the months ahead, since less fiscal stimulus reduces inflation risk and the need for further rate hikes.

Energy Markets
WTI crude is trading near $95 a barrel, lower on the day, as diplomatic efforts to ease Middle East supply disruptions gain attention. Prices remain elevated, so energy remains the main inflation risk to watch.

Economic and Policy Outlook
The ADP survey shows growth concentrated in trade, transportation, and utilities (+39,000), education and health services (+28,000), and leisure and hospitality (+19,000). Annual base pay rose 3.0%, and gross pay rose 4.7%, which supports consumer spending. Slower labor-force growth from an aging workforce and reduced immigration means fewer new jobs are needed to keep unemployment contained. Friday's jobs report will give a fuller picture: consensus calls for 65,000 jobs in October, up from 29,000 in September, with the unemployment rate holding at 4.2%. We will cover that report in detail.

The Final Word
Markets are treating the election as a reset toward predictability. Gridlock lowers the odds of a fiscal shock, which helps both stocks and bonds, and a steady labor market gives the economy room to absorb it. The risks have not gone away, since oil is still near $95 and the Fed remains focused on inflation, so selectivity still matters more than chasing the rally.

Corporate Earnings Parade:

- **McDonald's Corp. (MCD):** reported third-quarter 2026 earnings with revenue of $38.0 billion, up 4%; net income of $2.48 billion, up 9%; and Earnings per share of $3.51, beating estimates. McDonald's has a Stock Price Objective of $291.75.
- **CVS Health Corp. (CVS):** reported third-quarter 2026 earnings with revenue of $108.4 billion, up 5.4%; net income of $2.17 billion, up from a loss of -$3.975 billion; and Earnings per share of $2.09, beating estimates. CVS has a Stock Price Objective of $115.52.

Economic Update:

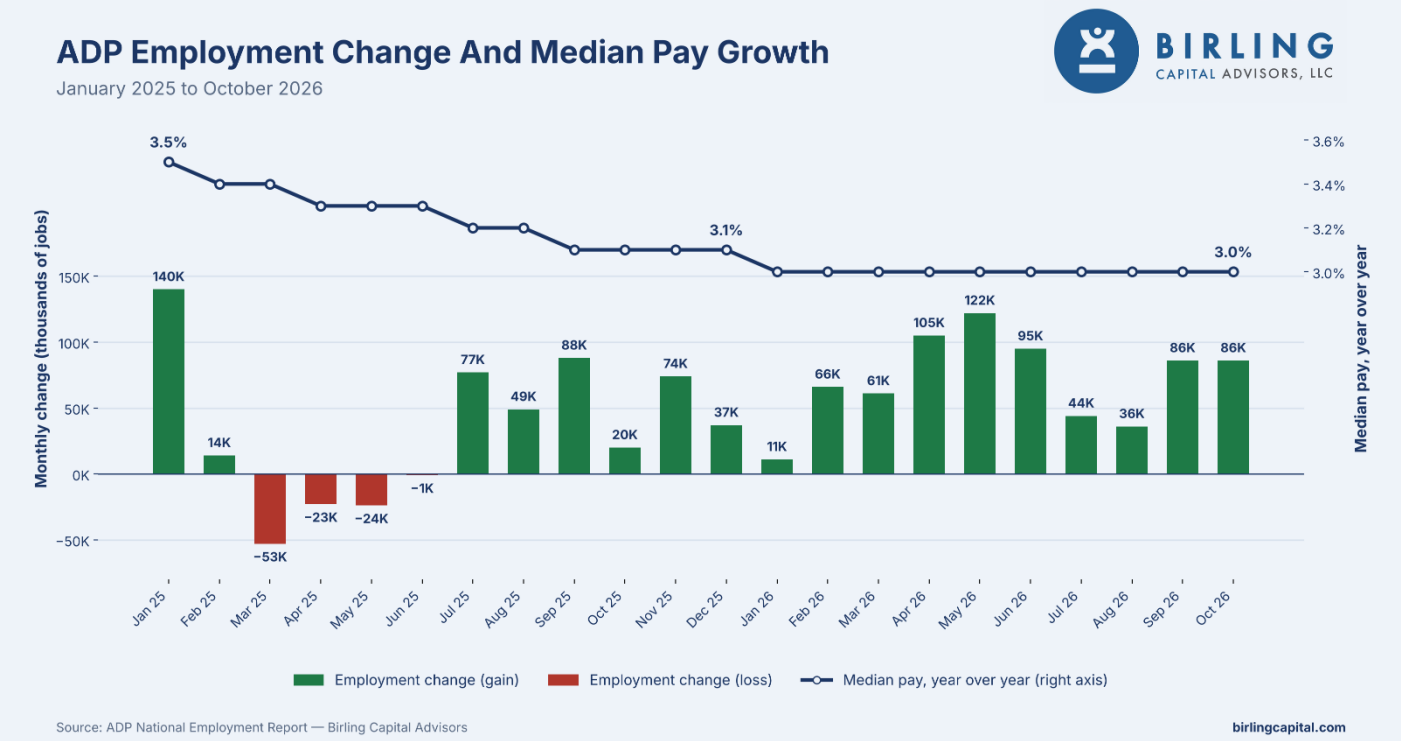
- **ADP Employment Change:** is unchanged at 86,000, from 86,0000 last month.
- **ADP Median Pay YoY:** is at 3.00%, unchanged from 3.00% last month.
- **US ISM Services PMI:** fell to 54.50, down from 54.90 last month.
- **US ISM Services Employment Index:** rose to 51.40, up from 50.10 last month.
- **US ISM Services New Orders Index:** fell to 55.90, down from 59.80 last month and down 6.52%.
- **US ISM Services Prices Paid Index:** fell to 73.00, down from 74.00 last month.
- **US Trade Balance on Goods:** fell to -135.91B, up from -136.63B last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 657.40, up 11.74 points, or 1.82%.
- **FTSE 100:** Closed at 10,829.21, up 190.78 points, or 1.79%.
- **DAX Index:** Closed at 26,437.67, up 573.05 points, or 2.22%.

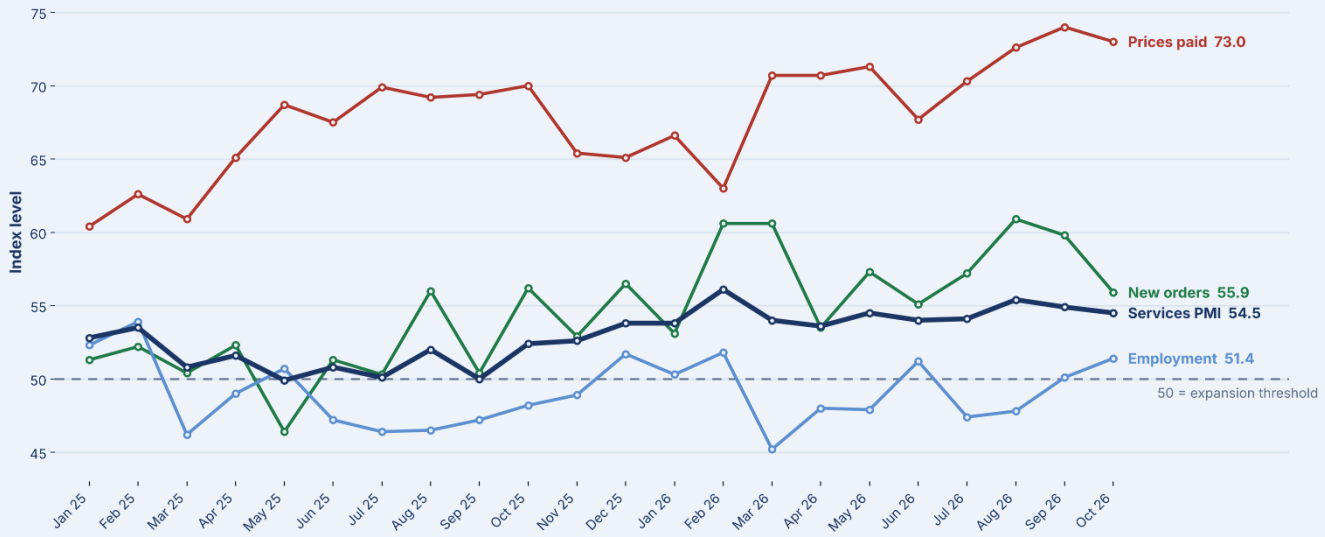
Wall Street Summary:

- **Dow Jones Industrial Average:** Closed at 53,356.12, up 1,569.40 points, or 3.03%.
- **S&P 500:** Closed at 7,688.62, up 119.70 points, or 1.58%.
- **Nasdaq Composite:** Closed at 25,736.51, up 364.50 points, or 1.44%.
- **Birling Capital Puerto Rico Stock Index:** Closed at 4,893.32, down 66.61 points, or 1.34%.
- **Birling Capital US Bank Index:** Closed at 9,359.26, down 22.34 points, or 0.24%.
- **U.S. Treasury 10-year note:** Closed at 4.90%.
- **U.S. Treasury 2-year note:** Closed at 4.58%.



U.S. ISM Services PMI And Components

January 2025 to October 2026

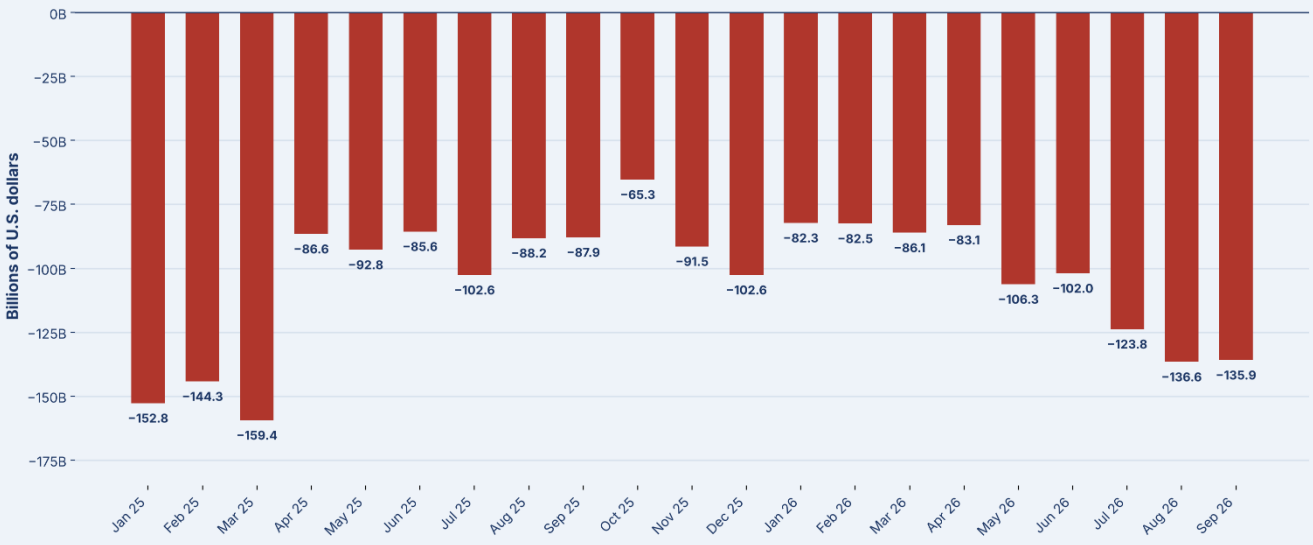


Source: Institute for Supply Management — Birling Capital Advisors

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U.S. Trade Balance On Goods

January 2025 to September 2026



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

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European Markets Close Higher

Wednesday, November 4, 2026

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Stoxx 600	FTSE 100	DAX Index
Closing price	Closing price	Closing price
657.40	10,829.21	26,437.67
▲ +11.74 points	▲ +190.78 points	▲ +573.05 points
+1.82%	+1.79%	+2.22%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street and Birling Capital Indexes Close

Wednesday, November 4, 2026

BIRLING CAPITAL ADVISORS, LLC

Dow Jones Industrial Average	S&P 500	Nasdaq Composite
Closing price	Closing price	Closing price
53,356.12	7,688.62	25,736.51
▲ +1,569.40 points	▲ +119.70 points	▲ +364.50 points
+3.03%	+1.58%	+1.44%

Birling Capital Puerto Rico Stock Index	Birling Capital US Bank Index	U.S. Treasury 10-year note	U.S. Treasury 2-year note
Closing price	Closing price		
4,893.32	9,359.26	4.90%	4.58%
▼ −66.61 points	▼ −22.34 points		
−1.34%	−0.24%		

Source: Bloomberg, LSEG — Birling Capital Advisors

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