Nasdaq Rebounds 1.09% After Its Worst Session Since April 2025 as Strong Jobs Data Lifts Treasury Yields

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The U.S. and European stock markets ended Friday on different notes. On Wall Street, dip buyers returned to technology shares after Thursday's sharp sell-off, lifting the Nasdaq Composite 1.09% and the S&P 500 0.31%. The Dow Jones Industrial Average slipped 237.33 points, or 0.46%. European shares closed 1% to 2% lower. A much stronger-than-expected October jobs report pushed Treasury yields and the dollar higher and tempered the rebound. All three U.S. averages still finished the week lower.

U.S. Markets

The rebound followed the heaviest selling in 18 months. On Thursday the Nasdaq fell 5.5% and closed more than 10% below its most recent high, which puts it in correction territory by the usual definition. The S&P 500 lost 4.4%, and the Dow fell more than 1,800 points, or 3.4%. These were the worst one-day losses for all three since April 2025. Every one of the 11 S&P 500 sectors closed lower, with companies tied to the artificial intelligence build-out leading the decline.

The trigger was political. Democratic gains in the House, the Senate and several governorships raised the risk that data center construction slows. Party leaders have called for limits on the build-out. Texas, a major data center hub, is a focus: Governor-elect Gina Hinojosa said the state should pause new development until protections are in place. She and others do not take office until January, so the uncertainty is likely to linger.

On Friday the most battered names bounced. Micron rose 5% after falling 17% on Thursday, and Nvidia gained 3% after a 9% drop, returning to positive territory for the year. Tesla, Meta Platforms and Alphabet also advanced. The "Magnificent Seven" lost about $1 trillion in market value on Thursday alone, which shows how much index weight sits in a few technology and semiconductor stocks. The enthusiasm was capped by reports that Microsoft plans to reduce the number of neocloud partners it works with.

The employment report added a second influence. Payrolls rose by 165,000 in October against about 59,000 expected, and the unemployment rate fell to 4.1% from the 4.2% economists projected. The data supported the dollar and Treasury yields. For the week, the Nasdaq is down about 3%, the S&P 500 about 2%, and the Dow by less than 1%. History offers some comfort: after Nasdaq corrections, technology stocks have often found their footing within three to six months, although trading can stay choppy in the meantime.

The Nasdaq Composite rose 264.42 points, or 1.09%, to 24,579.42, the S&P 500 rose 23.13 points, or 0.31%, to 7,376.86, and the Dow Jones Industrial Average fell 237.33 points, or 0.46%, to 51,285.73. The 2-year U.S. Treasury yield closed at 4.51% and the 10-year at 4.86%. The 2-year remains well below the near-4.9% reached at the start of October. Closer to home, the Birling Capital US Bank Index fell 4.70% to 9,214.00, and the Birling Capital Puerto Rico Stock Index fell 1.88% to 4,953.94.

Moderna reported third-quarter earnings that beat estimates, we discuss the reslts below along with greater color on the Pharma and Biotech Sector.

European Markets

European stocks fell on Friday and ended the week on a weak note. The pan-European Stoxx 600 lost 1.00% to 648.33, the FTSE 100 fell 1.01% to 10,673.94, and Germany's DAX was the weakest, dropping 1.92% to 25,820.36.

The pattern fits the day's global backdrop. Stronger U.S. data lifted the dollar and pushed yields higher, which tends to weigh on equity valuations. The DAX, with its heavy weighting in industrial and technology-linked companies, gave up 504.65 points, nearly five times the FTSE 100's decline of 108.72 points. The Stoxx 600 closed down 6.54 points. The rebound in U.S. technology futures was not enough to offset these pressures during the European session.

The three indexes we follow closed lower: Stoxx 600, down 6.54 points; FTSE 100, down 108.72 points; and DAX Index, down 504.65 points.

The AI Trade After the Reset

The morning bounce in technology stocks is encouraging, but one session does not settle whether the selling is finished. The central question for markets is whether buyers can hold the sector together or whether another leg lower is ahead.

The numbers show how far sentiment has moved. The Nasdaq is more than 10% below the record it reached a month ago, and the drop has cut the index's price-to-earnings ratio, a common measure of valuation. That is a real reset for companies tied to artificial intelligence. Still, the index is up more than 6% for the year and has gained sharply since 2023, so this is a pullback within a long advance and not yet a reversal.

The risk is that few scheduled events remain to move the AI story in the near term. Investors are asking how long a very large spending cycle can continue as debt levels rise, political scrutiny grows, and the timing and size of the return on that investment remain uncertain. Until those questions are answered, we expect more bouts of volatility. Investors should hold diversified stock portfolios suited to their goals and risk tolerance. The recent shift toward defensive sectors and indexes shows why diversification matters when a handful of names dominate returns.

BioPharma stocks: strong year, with most of the gains already in prices

BioPharma shares have had a strong 2026. As of midday on November 6, nine of the 11 stocks we follow are higher for the year. Moderna is the outlier at +774.6%, an extraordinary move that follows its third-quarter report, in which revenue rose 31% and earnings beat estimates. The rest of the group is far more orderly. Amgen leads at +40.69%, followed closely by Merck at +39.45% and Johnson & Johnson at +32.56%. Eli Lilly and AbbVie are each up about 27%, while Pfizer, Regeneron and Bristol Myers Squibb have gained 16% to 17%. Only BioNTech (−8.83%) and Abbott Laboratories (−11.76%) are lower.

Our price objectives suggest that the easy gains have been made. For eight of the 11 names, the objective is within 10% of the current price: Merck +10.0%, Regeneron +8.0%, Abbott +7.2%, Eli Lilly +5.4%, AbbVie +5.3%, Bristol Myers Squibb +4.0%, Johnson & Johnson +1.8% and Pfizer +0.8%. BioNTech offers the most room at +34.2%, which fits a stock that has lagged the group. At the other end, Amgen's objective is 12.2% below its price, and Moderna's is 46.3% below after its surge.

Economic & Policy Outlook

The U.S. labor market gave a clear answer to those who worry about growth. Employers added 165,000 jobs in October, far above expectations, and hiring was broad. The two prior months were revised higher, and the unemployment rate fell to 4.1%. Consumer sentiment also improved, with the University of Michigan index rising to 51.0 from 48.0, although it remains well below its long-run average.

The report fits a pattern of faster U.S. growth over the past few quarters and stronger business confidence. With inflation still uncomfortably high, the Federal Reserve has little reason to ease its stance. We expect it to raise rates again at the December meeting unless equity market stress

becomes large and lasts. Wage growth is the one soft spot in the report, with average hourly earnings up 3.1% from a year earlier, the slowest pace in the period we track.
For investors, healthy employment and income growth support the broad earnings gains seen across sectors this year. That growth may slow from this year's strong pace, but the economic base remains sound.

The Final Word
Friday's session shows two forces at work. The economy is strong enough to keep earnings growing and to keep the Fed on its path of rate increases, while the leading technology stocks have to earn back investor confidence, now with a political question added. Higher yields and a firmer dollar are the price of good data, and Europe's sharp decline shows that markets are feeling that price. We recommend staying invested, holding diversified portfolios, and avoiding excess concentration in the names that drove the market higher.

Corporate Earnings Parade:

- **Moderna, Inc. (MRNA):** reported third-quarter 2026 earnings with revenue of $1,273 billion, up 31%; net income of $162 million, up 181%; and earnings per share of $0.38, beating estimates. Moderna has a Stock Price Objective of $138.37.

Economic Update:

- **US Index of Consumer Sentiment:** rose to 51.00, up from 48.00 last month.
- **US Nonfarm Payrolls MoM:** rose to 165,000, up from 60,000 last month, an increase of 175.0%.
- **US Unemployment Rate:** fell to 4.10%, compared to 4.20% last month.
- **US Labor Force Participation Rate:** rose to 61.90%, compared to 61.80% last month.
- **US Average Hourly Earnings YoY:** fell to 3.10%, compared to 3.20% last month.
- **Canada Ivey PMI:** rose to 58.30, up from 58.20 last month.
- **Canada Employment Net Change**: is at -4,700, up from -68,300 last month.
- **Canada Unemployment Rate:** rose to 6.70%, compared to 6.50% last month.
- **Canada Labour Force Participation Rate:** is unchanged at 64.80%, compared to 64.80%.

Eurozone Summary:

- **Stoxx 600**: Closed at 648.33, down 6.54 points, or 1.00%.
- **FTSE 100:** Closed at 10,673.94, down 108.72 points, or 1.01%.
- **DAX Index**: Closed at 25,820.36, down 504.65 points, or 1.92%.

Wall Street Summary:

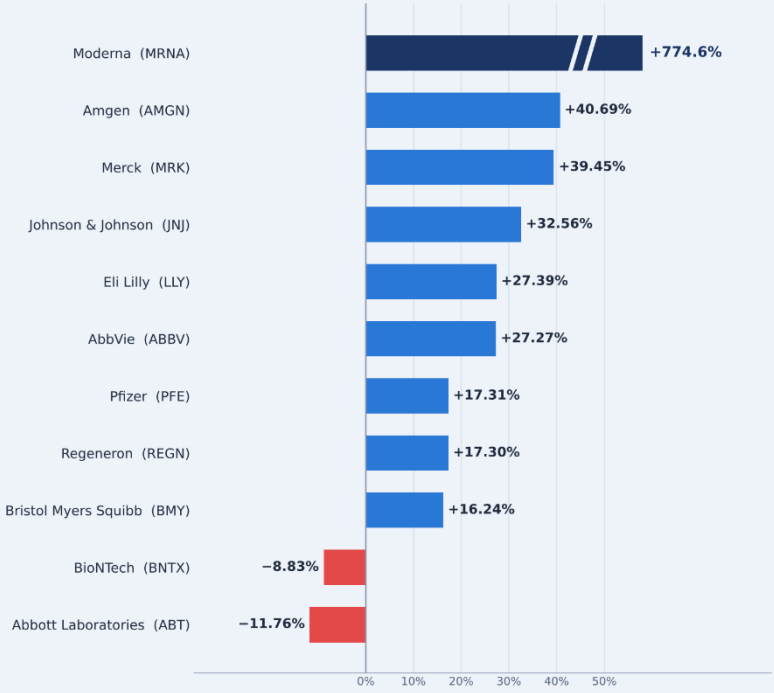
- **Dow Jones Industrial Average**: Closed at 51,285.73, down 237.33 points, or 0.46%.
- **S&P 500:** Closed at 7,376.86, up 23.13 points, or 0.31%.
- **Nasdaq Composite**: Closed at 24,579.42, up 264.42 points, or 1.09%.
- **Birling Capital Puerto Rico Stock Index**: Closed at 4,953.94, down 95.12 points, or 1.88%.
- **Birling Capital US Bank Index**: Closed at 9,214.00, down 453.93 points, or 4.70%.
- **U.S. Treasury 10-year note:** Closed at 4.86%.
- **U.S. Treasury 2-year note:** Closed at 4.51%.

BioPharma Stocks: Year-to-Date Returns and Prices

Price change since the start of 2026, prices and Birling Capital price objectives; prices as of November 6, 2026, 1:05 PM EST

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Year-to-Date Price Return



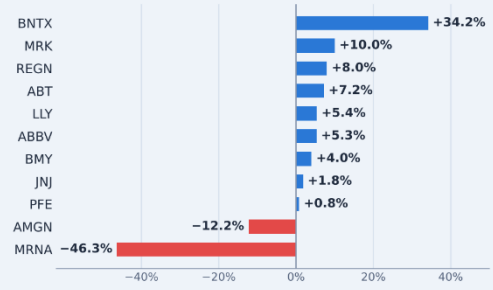
Moderna's bar is shortened to fit the scale; its full gain is shown at the end of the bar.

Source: YCharts (prices and year-to-date returns, November 6, 2026, 1:03-1:05 PM EST); Birling Capital Advisors price objectives.

Prices and Birling Price Objectives

Company	Price	Objective	Upside / downside
Moderna (MRNA)	$257.77	$138.37	▼ −46.3%
Amgen (AMGN)	$460.65	$404.30	▼ −12.2%
Merck (MRK)	$146.79	$161.52	▲ +10.0%
Johnson & Johnson (JNJ)	$274.44	$279.44	▲ +1.8%
Eli Lilly (LLY)	$1,368.32	$1,442.09	▲ +5.4%
AbbVie (ABBV)	$291.06	$306.42	▲ +5.3%
Pfizer (PFE)	$29.21	$29.45	▲ +0.8%
Regeneron (REGN)	$905.37	$977.93	▲ +8.0%
Bristol Myers Squibb (BMY)	$62.73	$65.25	▲ +4.0%
BioNTech (BNTX)	$86.79	$116.46	▲ +34.2%
Abbott Laboratories (ABT)	$110.55	$118.52	▲ +7.2%

Implied Upside or Downside to Price Objective



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US index of consumer sentiment

Monthly index level, January 2023 to November 2026. Blue segments mark months when sentiment rose, red segments months when it fell.



Change from the prior month (index points)

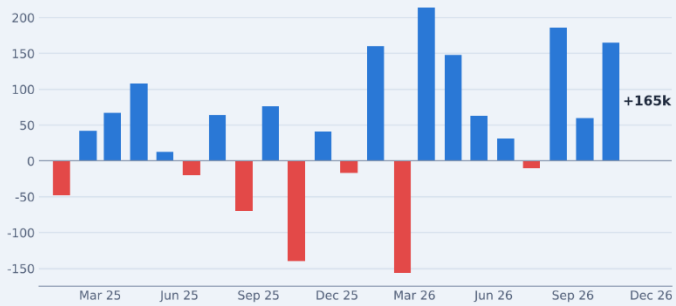
20 increases, 25 decreases, 1 unchanged



US labor market, January 2025 to October 2026

Nonfarm payrolls, monthly change

Thousands of jobs, month over month



Unemployment rate

Percent of the labor force; no reading for October 2025



Labor force participation rate

Percent of the population; no reading for October 2025



Average hourly earnings

Percent change from a year earlier



Canada economic data, January 2025 to October 2026

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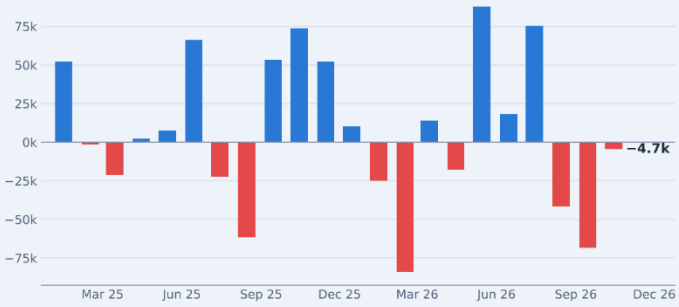
Canada Ivey purchasing managers index

Index level; blue points at or above 50, red points below 50



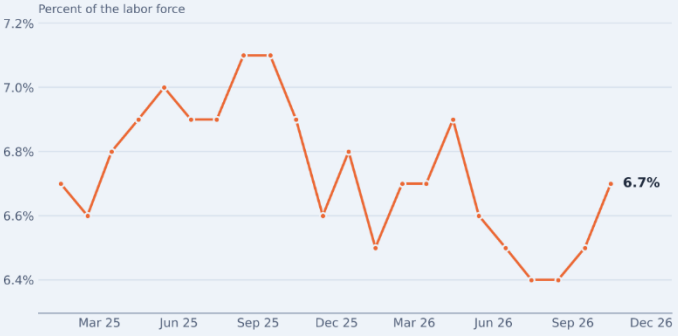
Canada employment, net monthly change

Thousands of jobs; blue for gains, red for losses



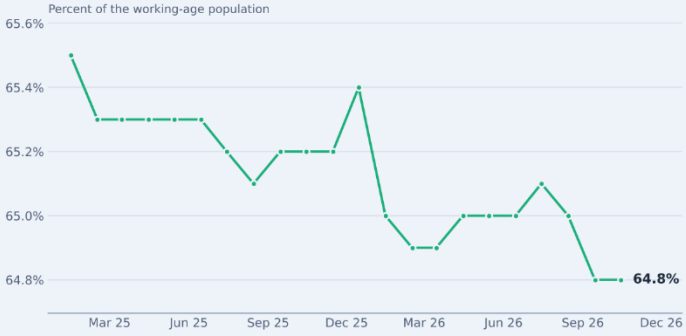
Canada unemployment rate

Percent of the labor force



Canada labor force participation rate

Percent of the working-age population



Eurozone indexes close

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Friday, November 6, 2026

Stoxx 600	FTSE 100	DAX Index
Closing price	Closing price	Closing price
648.33	10,673.94	25,820.36
▼ 6.54 points	▼ 108.72 points	▼ 504.65 points
−1.00%	−1.01%	−1.92%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street and Birling Capital indexes close

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Friday, November 6, 2026



Source: Bloomberg, LSEG — Birling Capital Advisors

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