

Global Markets Close Mixed as TSMC and Schwab Deliver Strong Earnings; Food Stocks Lift Europe Amid Prolonged U.S. Shutdown Weighs on Investor Sentiment.

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The U.S. and European stock markets closed mixed on Thursday, as upbeat technology earnings were offset by steep declines in bank shares amid renewed credit concerns and persistent U.S.–China trade tensions. Early optimism from Taiwan Semiconductor Manufacturing Co. (TSMC) — which surged after raising its revenue growth forecast and boosting capital-expenditure plans — helped lift the Nasdaq Composite, but the gains faded as financials reversed sharply into the close. The Dow Jones Industrial Average lost 301 points, while the S&P 500 slipped 0.6% and the Nasdaq Composite declined 0.5%.

Regional lenders led the downturn, with Zions Bancorporation plunging 13% after taking heavy charges linked to bad loans, and Western Alliance sliding 11% after disclosing potential borrower fraud.

Meanwhile, Charles Schwab delivered strong third-quarter results, posting adjusted EPS of \$1.31, above forecasts of \$1.25, and Net Income rose 61%, beating expectations. Large-cap technology stocks led Wall Street's gains, with the Nasdaq Composite up 0.6% in early trading, as investors balanced optimism around AI demand with concerns over possible new restrictions on Chinese rare-earth exports amid renewed U.S.–China trade tensions.

European Markets

In Europe, the pan-European Stoxx 600 gained 0.3% by mid-afternoon in London, with a strong rally in food and beverage stocks offsetting weakness in the U.K. market. The FTSE 100 slipped 0.3%, the DAX traded marginally lower, while France's CAC 40 advanced 0.8% after the country's new government successfully survived a no-confidence vote. This development eased recent political jitters in Paris.

European trading has been volatile this week, with several indexes touching two-week lows earlier before rebounding on Wednesday, led by luxury and consumer names. Thursday's advance was powered by a sharp rally in the Stoxx Food & Beverage Index, which climbed 3.2% by the afternoon session.

Eurozone Corporate Movers: Nestlé Surges

Shares of Nestlé jumped 8% after the Swiss consumer giant announced a sweeping restructuring plan aimed at improving efficiency and profitability. The company confirmed plans to eliminate 12,000 white-collar positions, with an additional 4,000 job reductions expected over the next two years. Investors welcomed the move as a signal of renewed cost discipline and a stronger focus on margins amid a challenging consumer backdrop.

In Asian markets, Japanese indices also advanced, mirroring the risk-on tone. U.S. Treasury yields were little changed after recent rallies, gold continued its October climb of nearly 10%, and WTI crude traded below \$60 per barrel.

Data Blackout Leaves Markets Guessing

The federal government shutdown has begun to distort the economic picture as critical data releases pile up in delay. Reports on retail sales, initial jobless claims, CPI, and PPI have all been postponed, and tomorrow's industrial production figures will also be missing. With complex data absent, investors have turned to regional business surveys to fill the void.

However, the Philadelphia Fed and New York Fed Services outlooks disappointed this morning, prompting caution amid the vacuum. These reports, although applicable, represent only small segments of the economy and are often volatile. The lack of reliable macro indicators has strengthened the market's conviction that the Federal Reserve will respond to growing uncertainty with rate cuts. Fed Governor Christopher Waller reinforced this expectation today, suggesting that "incremental" 25-basis-point reductions would be appropriate given the lack of clarity.

Shutdown Stalemate Extends into Third Week

The government shutdown entered its third week — now tied with the 2014 episode as the third-longest in history. The record 35-day partial shutdown of 2018–2019 still stands, but the risk that this one surpasses it is growing.

Repeated Senate votes to pass short-term funding through November 21 have failed, and the House of Representatives remains in recess. While moderate lawmakers from both parties have begun informal talks, leadership from both sides continues to resist compromise.

A prolonged closure threatens to deepen disruptions — from delayed paychecks and interrupted services to lost economic output — potentially shaving growth off the fourth-quarter GDP. For now, markets remain resilient, but if the impasse persists into November, investors could begin to price in more visible downside risk.

Corporate Earnings Parade:

1. **The Charles Schwab Corp. (SCHW):** reported 3Q25 revenues of \$6,135 billion, up 27%, net income of \$2,456 billion, up 61%, and earnings per share of \$1.31, topping estimates. Schwab has a stock price objective of \$109.60. Check Our Report: [SCHW Overview](#)
2. **Taiwan Semiconductor Manufacturing Co., Ltd. (TSM):** reported 3Q25 revenues of \$33.10 billion, increasing 30%, net income of \$17.768 billion, rising 39.1%, and earnings per share of \$5.84, topping estimates. TSM has a stock price objective of \$307.65. Check Our Report: [TSM Overview](#)

Economic Data:

- **NAHB/Wells Fargo US Housing Market Index:** fell to 37.00, up from 32.00 last month, increasing 15.62%.
- **30-Year Mortgage Rate:** fell to 6.30%, compared to 6.34% last week.
- **NY Fed Business Leaders Survey Current Business Activity:** fell -23.60, down from -19.40 last month.
- **U.K. Industrial Production Index YoY:** fell -0.70%, compared to -0.10% last month.

Postponed Data Due to Government Shutdown:

- **U.S. Producer Price Index YoY**
- **U.S. Core Producer Price Index YoY**
- **U.S. Retail and Food Services Sales MoM**
- **U.S. Initial Claims for Unemployment Insurance**
- **U.S. Business Inventories MoM**
- **U.S. Wholesalers Inventories MoM**

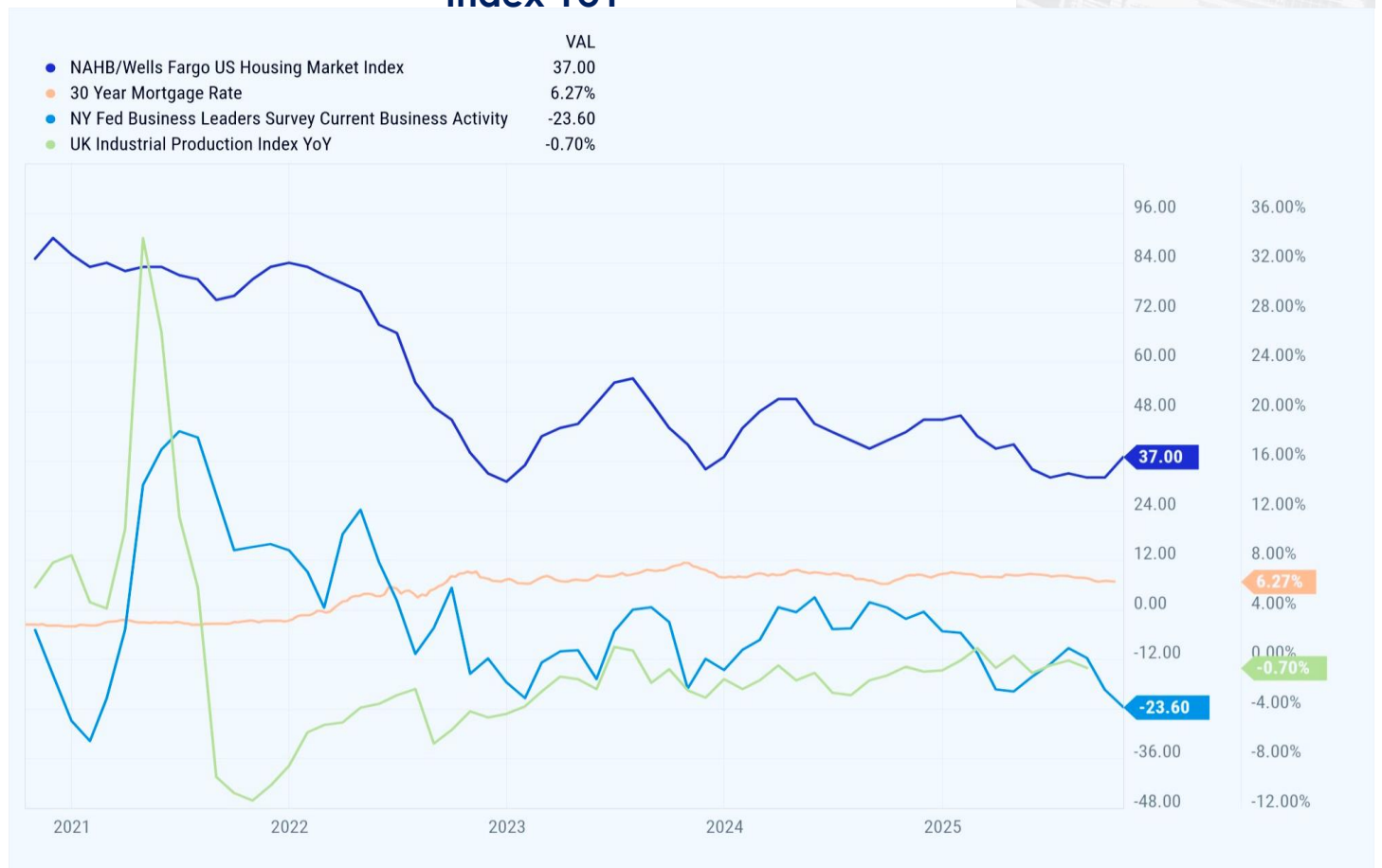
Eurozone Summary:

- **Stoxx 600:** Closed at 571.66, up 3.89 points or 0.69%.
- **FTSE 100:** Closed at 9,436.09, up 11.36 points or 0.12%.
- **DAX Index:** Closed at 24,272.19, up 90.82 points or 0.38%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 45,952.24, down 301.07 points or 0.65%.
- **S&P 500:** closed at 6,629.07, down 41.99 points or 0.63%.
- **Nasdaq Composite:** closed at 22,562.54, down 107.54 points or 0.47%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,009.61, down 102.39 points or 2.49%.
- **Birling Capital U.S. Bank Index:** closed at 8,298.25, up 164.13 points or 2.02%.
- **U.S. Treasury 10-year note:** closed at 3.99%.
- **U.S. Treasury 2-year note:** closed at 3.41%.

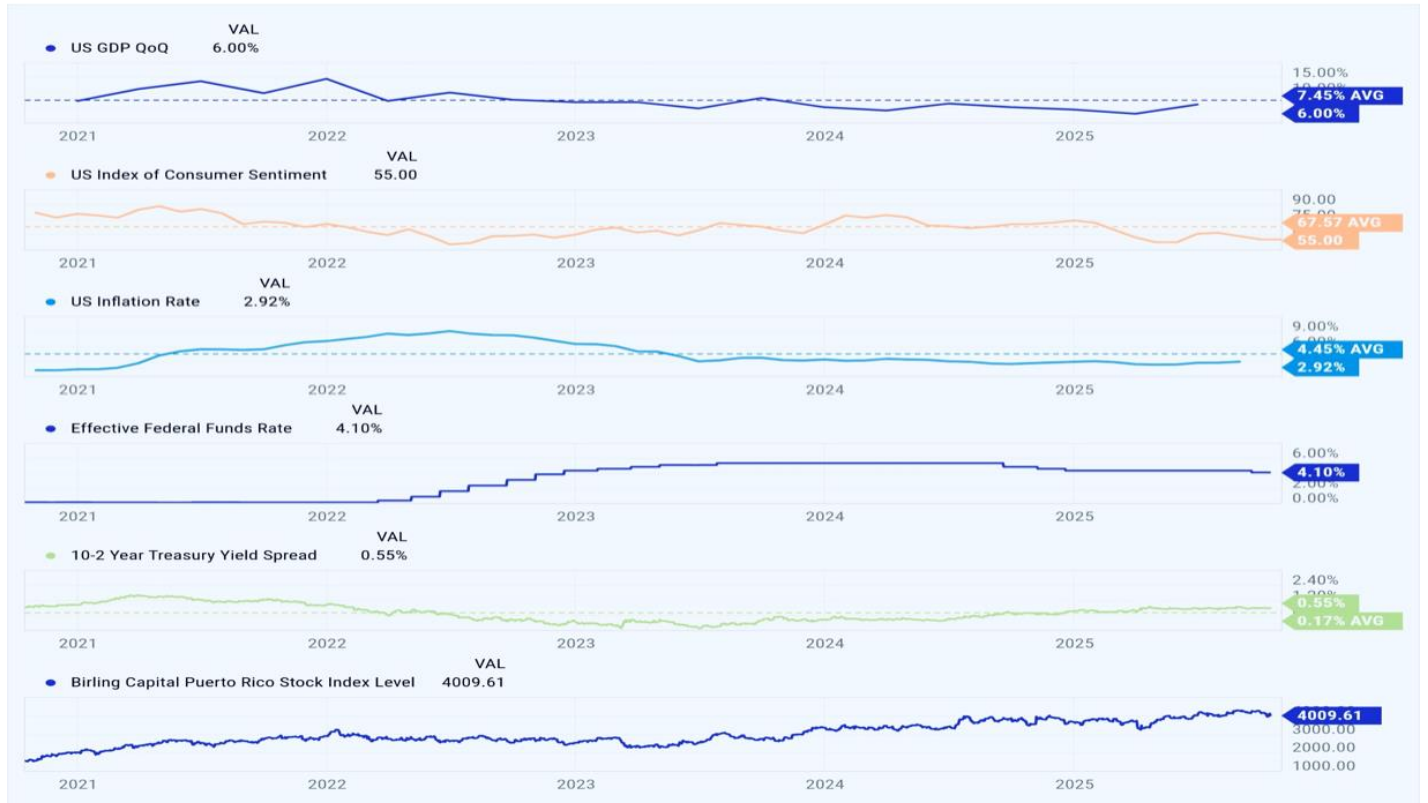
NAHB/Wells Fargo US Housing Market Index; 30 Year Mortgage Rate; NY Fed Business Leaders Survey Current Business Activity & UK Industrial Production Index YoY





The Economic Cycle

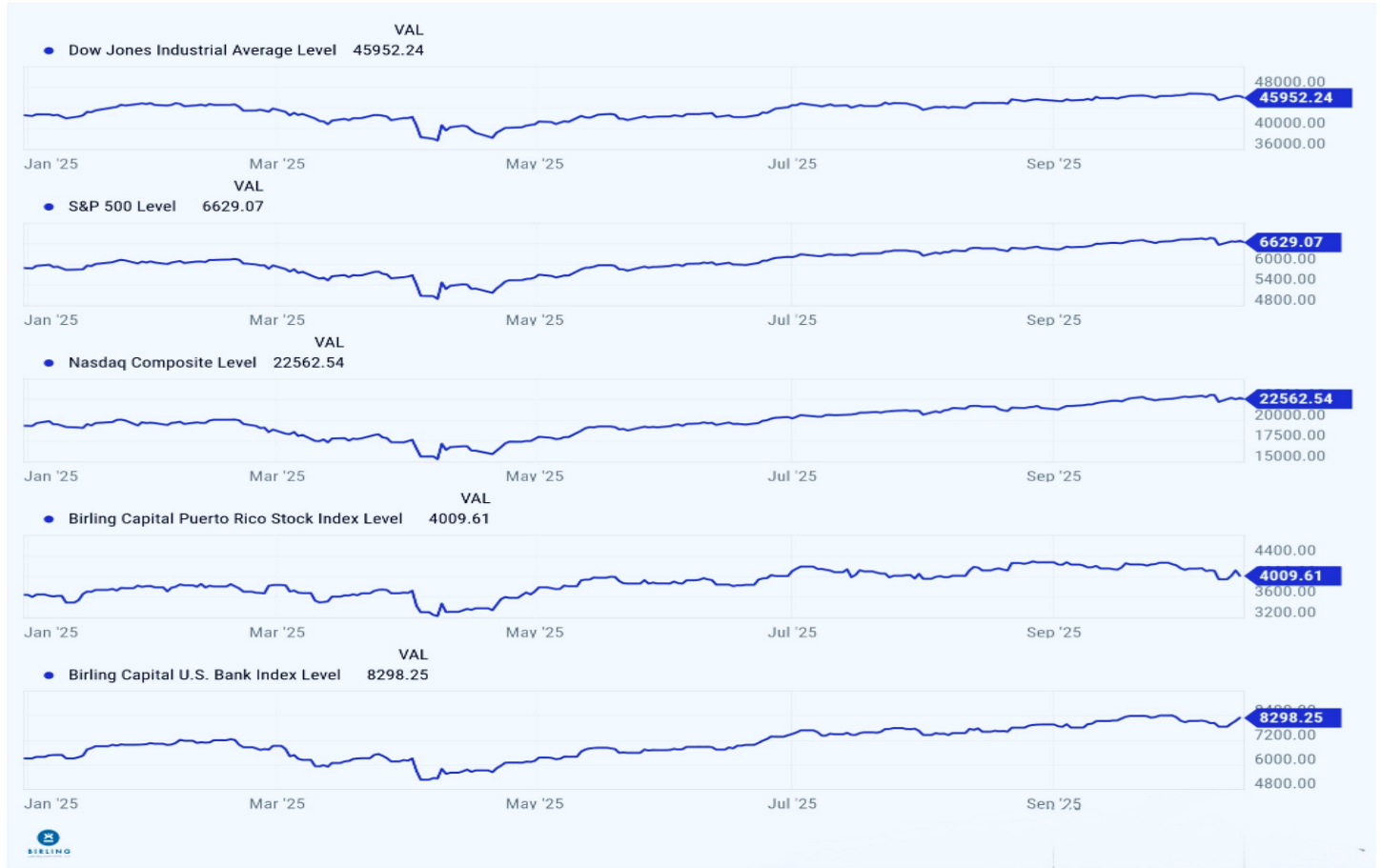
October 15, 2021-October 16, 2025





Wall Street Recap

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