Chipmakers Power a Second Day of Gains as Oil Retreats and Investors Await the Fed

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The U.S. stock market closed higher on Tuesday, extending Monday's recovery as renewed demand for semiconductor shares and declining oil prices supported investor confidence. The Nasdaq led the major benchmarks, while the Dow finished nearly unchanged, revealing a more concentrated advance than the headline gains suggested. Fresh financing commitments tied to artificial intelligence infrastructure helped revive enthusiasm for technology stocks, even as investors continued weighing the industry's substantial capital requirements.
Lower energy prices provided additional support ahead of Wednesday's Federal Reserve decision. With policymakers widely expected to hold rates steady, attention shifted toward conditions that could prompt another increase before year-end.

U.S. Markets
The **S&P 500 advanced 0.60% to 7,722.60**, recording its second consecutive winning session.
The **Nasdaq Composite climbed 1.18% to 26,477.81**, while the **Dow Jones Industrial Average added 15.99 points, or 0.03%, to close at 52,377.57**.
Semiconductor stocks drove the technology rally. **Broadcom gained approximately 4%** following the announcement of **$63 billion in financing** involving Bank of America, Citi, Morgan Stanley, and Blackstone to support purchases of its technology for Anthropic. **Advanced Micro Devices rose 5%**, while **Micron Technology advanced nearly 3%**.
The gains extended the renewed interest in AI-related shares following Anthropic's Nasdaq IPO filing. The financing announcement reinforced expectations for continued infrastructure spending, although the investment case still depended on customers translating that spending into revenue, productivity, and sufficient cash flow to support their commitments.
Corporate earnings also produced sharp moves outside technology. **JetBlue surged 19%** despite a larger-than-expected third-quarter loss, as investors responded to its outlook for further margin expansion in the fourth quarter. **UPS gained more than 5%** after reporting quarterly results that exceeded expectations.
Falling crude prices helped ease concerns about energy costs and inflation. **WTI futures declined 1.83% to settle at $99.90 per barrel**, while **Brent fell 1.67% to $113.88**, as investors assessed diplomatic developments surrounding the conflict with Iran.
The session ended with investors awaiting the Federal Reserve's Wednesday announcement. A widely anticipated pause placed greater emphasis on the accompanying statement and press conference, particularly any indication that persistent inflation could warrant additional tightening in December.

European Markets
European equities closed mixed on Tuesday, with gains in continental markets contrasting with weakness in London. The Stoxx 600 advanced **0.51%**, while Germany's DAX gained **0.77%**. The FTSE 100 declined **0.75%**, underscoring the uneven performance across the region.

Easing oil prices offered potential relief for households and energy-intensive businesses, although investors remained focused on geopolitical developments and the implications of upcoming central bank decisions for inflation, borrowing costs, and growth.

Energy Markets
WTI crude traded near **$101 per barrel in the morning**, as reports of diplomatic discussions involving Saudi Arabia, Pakistan, Turkey, and Iran encouraged hopes for reduced regional tensions.
A sustained decline in energy prices would help temper inflation pressure and support consumer spending. However, diplomatic progress would need to produce tangible improvements in supply security before markets could confidently price in a lasting reduction in the geopolitical risk premium.

Economic & Policy Outlook
September's durable goods report offered an encouraging signal for business investment. **New orders increased 1.8%**, while the supplied report's measure of underlying capital goods orders advanced **0.5%**. Machinery orders rose **1.2%**, and computer and electronic products orders increased **0.8%**.
The distinction between orders and actual investment remained important. Orders indicate future demand, while shipments provide a more direct link to equipment spending in GDP. Nevertheless, the figures suggested that businesses continued committing capital despite elevated financing costs. AI infrastructure likely contributed to demand in selected categories, although the report alone could not establish how much spending was attributable to AI.
Attention then turned to Wednesday's Federal Reserve decision. Expectations favored holding rates steady, but a pause would leave the central bank considerable flexibility over subsequent meetings. The inflation outlook, energy costs, and the persistence of economic growth would shape the discussion about December.
A further increase remained a risk rather than a settled outcome. Investors would look for guidance on what additional evidence policymakers needed before adjusting rates again.

The Final Word
Lower oil prices and resilient investment offered support for equities, but the next stage of the recovery would require stronger evidence from earnings and monetary policy. The best companies positioned to sustain investor confidence would be those converting capital spending into productivity, cash flow, and profitable growth.

Corporate Earnings Parade:

- **The Coca-Cola Co. (KO):** reported third-quarter 2026 earnings that beat expectations, with revenue of $13.38 billion, up 7%; net income of $4,056 million, up 8%; and Earnings per share of $0.93. Coca-Cola has a Stock Price Objective of $95.62.
- **Hilton Worldwide Holdings, Inc. (HLT):** reported third-quarter 2026 earnings that split expectations: revenue of $3.33 billion, up 6.73% and missing estimates; net income of $536 million, up 28% and beating estimates; and Earnings per share of $2.45. Hilton has a Stock Price Objective of $355.96.

GDPNow Update:

- The GDPNow for the third quarter of 2026 was updated today, October 27, and fell to 3.40% from 3.50% on October 20, a decrease of 0.10 points.

Economic Update:

- **US Durable Goods New Orders MoM:** rose to 1.84% from 0.13% last month.
- **US New Single Family Houses Sold:** fell to 676.00K, down from 680.00K last month.
- **US Retail Gas Price:** fell to 4.405, down from 4.424 last week.

Eurozone Summary:

- **Stoxx 600:** Closed at 643.91, up 3.25 points, or 0.51%.
- **FTSE 100:** Closed at 10,686.54, down 80.79 points, or 0.75%.
- **DAX Index:** Closed at 25,606.65, up 195.81 points, or 0.77%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,377.57, up 15.99 points, or 0.03%.
- **S&P 500:** closed at 7,722.60, up 45.83 points, or 0.60%.
- **Nasdaq Composite:** closed at 26,477.81, up 308.42 points, or 1.18%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,974.52, down 37.51 points, or 0.75%.
- **Birling Capital US Bank Index:** closed at 9,246.77, up 85.02 points, or 0.93%.
- **US Treasury 10-year note:** closed at 4.99%.
- **US Treasury 2-year note:** closed at 4.70%.

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Economic Update: Week Of Oct. 26 To Nov. 1, 2026

Major U.S. indicators events calendar

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Releases By Day



Release Calendar (Eastern Time)

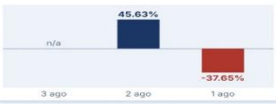
Date	Time	Indicator	Frequency	Latest value
Tue, Oct 27	8:30 a.m.	U.S. durable goods new orders, year over year	Monthly	**8.12%**
Tue, Oct 27	8:30 a.m.	U.S. durable goods new orders, month over month	Monthly	**-0.02%**
Tue, Oct 27	10:00 a.m.	U.S. manufacturing shipments	Monthly	**658.83 billion**
Tue, Oct 27	10:00 a.m.	U.S. new single family houses sold	Monthly	**684.00 thousand**
Tue, Oct 27	10:00 a.m.	U.S. manufacturing new orders	Monthly	**663.62 billion**
Wed, Oct 28	2:00 p.m.	Target federal funds rate, lower limit	Daily	**3.75%**
Thu, Oct 29	8:30 a.m.	U.S. initial claims for unemployment insurance	Weekly	**194,000**
Thu, Oct 29	8:30 a.m.	U.S. personal consumption expenditures	Monthly	**22.31 trillion**

U.S. durable goods new orders, year over year

8.12%

Tue, Oct 27 at 8:30 a.m., monthly

Percent change, prior releases



U.S. durable goods new orders, month over month

-0.02%

Tue, Oct 27 at 8:30 a.m., monthly

Percent change, prior releases



U.S. manufacturing shipments

658.83 billion

Tue, Oct 27 at 10:00 a.m., monthly

Percent change, prior releases



U.S. new single family houses sold

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Tue, Oct 27 at 10:00 a.m., monthly

Percent change, prior releases



U.S. manufacturing new orders

663.62 billion

Tue, Oct 27 at 10:00 a.m., monthly

Percent change, prior releases



Target federal funds rate, lower limit

3.75%

Wed, Oct 28 at 2:00 p.m., daily

Percent change, prior releases

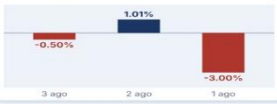


U.S. initial claims for unemployment insurance

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Thu, Oct 29 at 8:30 a.m., weekly

Percent change, prior releases

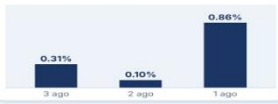


U.S. personal consumption expenditures

22.31 trillion

Thu, Oct 29 at 8:30 a.m., monthly

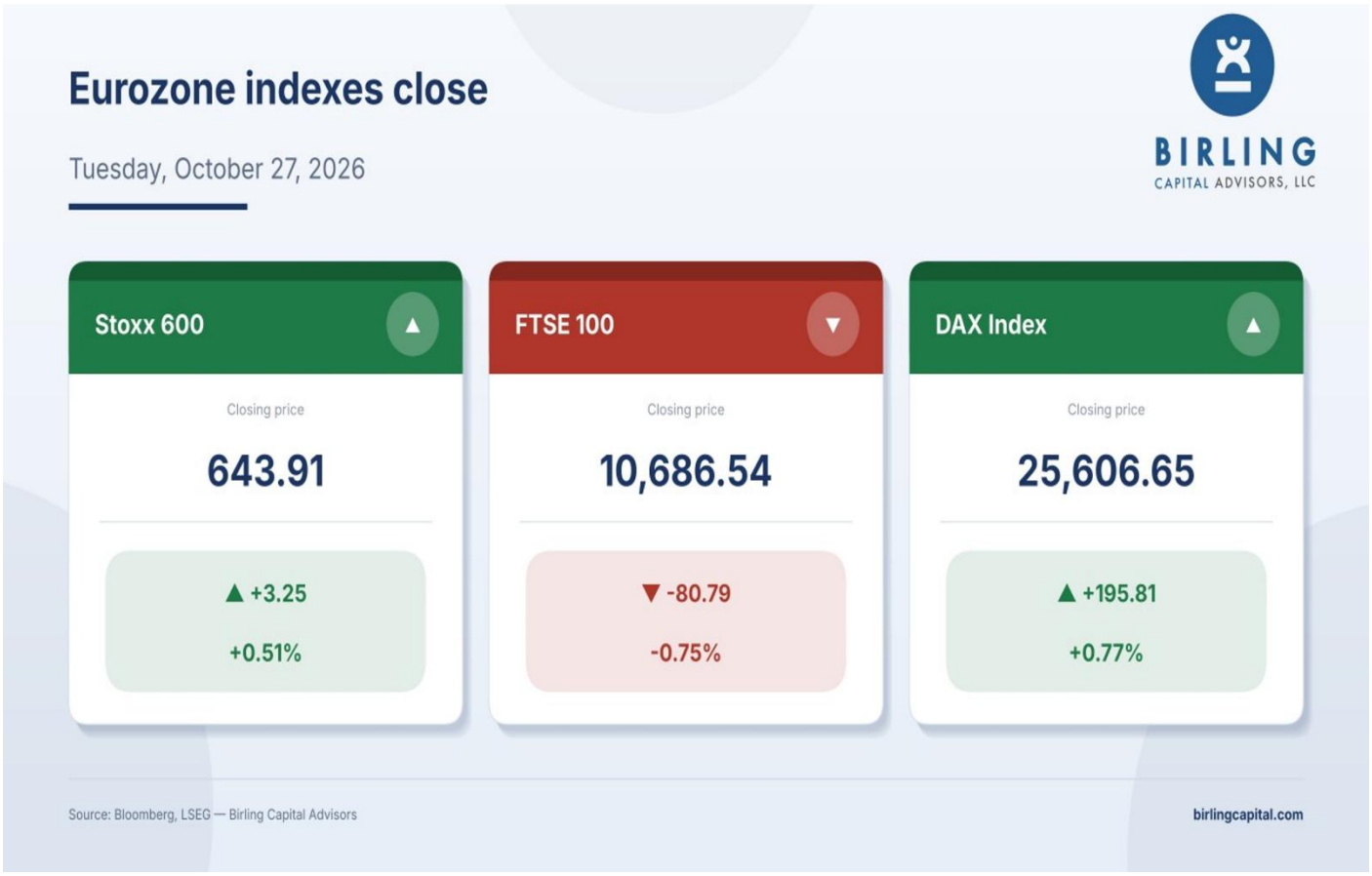
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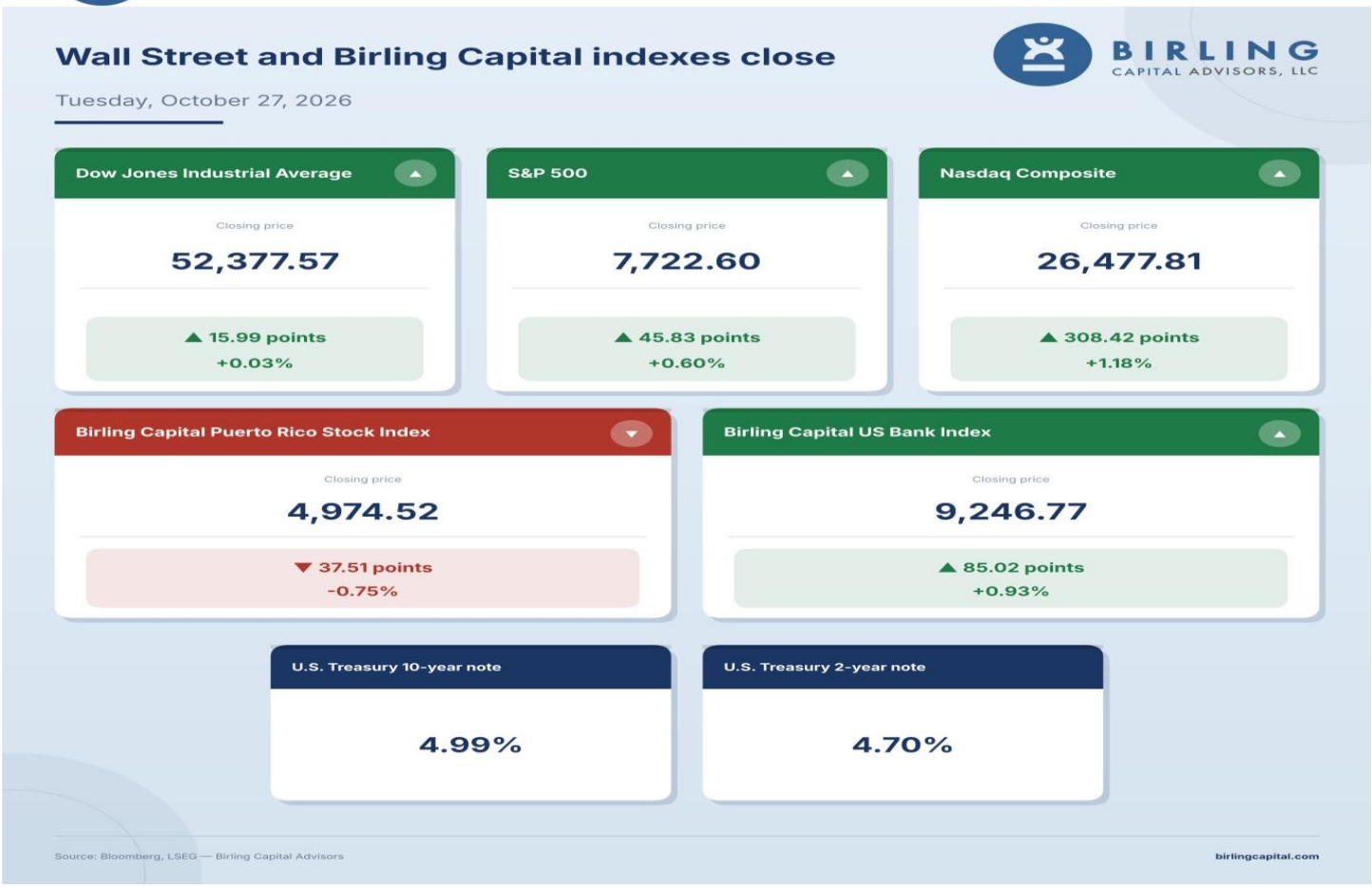


Source: Economic Update indicator calendar, Oct. 26 through Nov. 1, 2026 — Birling Capital Advisors

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