Dow Jones loses 1,350.15 points in three straight sessions as oil tops $100 and treasury yields hit multi-year highs

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The U.S. and European stock markets closed lower Thursday, marking a third consecutive session of losses for Wall Street's major indexes as crude oil surged back above $100 a barrel and Treasury yields climbed to their highest levels in years. Over that three-session stretch, the Dow Jones Industrial Average has shed 1,350.15 points. A prolonged conflict between the U.S. and Iran, now stretching into its seventh month, kept energy markets on edge and reinforced fears that elevated fuel costs could keep inflation entrenched well above target just as the Federal Reserve heads into next week's rate decision.

The 10-year U.S. Treasury yield topped 4.95%, its highest level since October 2023, as investors priced in a longer stretch of elevated inflation and tighter financial conditions. West Texas Intermediate crude settled at $102.48 a barrel, up 6.7% on the day, while Brent crude climbed 5.9% to $107.63 — the highest close for both benchmarks since May 19.

European markets also declined after the European Central Bank raised its deposit rate by 25 basis points to 2.50%, its second increase of the year. The synchronized repricing of monetary policy expectations underscored the central challenge facing investors: inflation is accelerating precisely when elevated energy prices are threatening global economic growth.

U.S. Markets

Dow tumbles for a third straight session this week as oil and Treasury yields surge

Wall Street extended its losing streak to a third consecutive session Thursday, weighed down by a sharp jump in crude prices and another leg higher in bond yields. The Dow Jones Industrial Average dropped 316.56 points, or 0.6%, while the S&P 500 slipped 0.58% and the Nasdaq Composite fell 0.65%. Over the three-session stretch, the Dow has now surrendered a combined 1,350.15 points, underscoring how quickly oil's return above $100 and the fresh surge in Treasury yields have reshaped market sentiment this week.

Crude oil delivered the day's biggest jolt to sentiment. West Texas Intermediate settled at $102.48 a barrel, up 6.7%, and Brent crude climbed 5.9% to $107.63 — the highest closer for both benchmarks since May 19. The move reflects mounting anxiety over the U.S.-Iran conflict, which has now stretched into its seventh month. Since fighting began at the end of February, WTI has surged 52.9%, pushing its year-to-date gain to 78.5%.

The renewed spike in energy prices pushed the 10-year Treasury yield above 4.95%, its highest level since October 2023, as investors braced for a longer stretch of elevated inflation and tighter financial conditions.

High-beta chipmakers, among the biggest beneficiaries of this year's rally, bore the brunt of the selloff on concern that higher rates and costlier energy could slow the broader economy. Intel shares fell more than 5%, while Micron Technology dropped 4.7%.

A relatively tame wholesale inflation reading did little to calm markets already contending with the twin pressures of oil and yields. August's producer price index rose a seasonally adjusted 0.4% for the month, in line with consensus estimates, and stood at 5.4% on an annual basis — still well above the Fed's 2% target. The report arrives ahead of Friday's more closely watched consumer price index; both figures ultimately feed into the Fed's preferred inflation gauge, the personal consumption expenditures price index, which won't be published until after the central bank's September 16 rate decision.

Stephen Coltman, head of macro at 21Shares, said the producer price data alone did little to resolve the debate over whether the Fed hikes next week, but noted that crude's return above $100 and fresh highs in Treasury yields were "raising the stakes for investors ahead of tomorrow's crucial CPI report."

Fed funds futures implied roughly a 73% probability of a quarter-point hike following next week's meeting, according to the CME FedWatch Tool. This week's three-session slide follows a separate pullback last month that was triggered by the Treasury Department's announcement that it would buy back up to $6 billion in longer-term debt — triple its usual size, and an upsized follow-on to the buyback program it introduced less than a month earlier.

European Markets

ECB raises rates as energy costs intensify inflation pressures

European markets closed near two-month lows after the European Central Bank raised its deposit rate from 2.25% to 2.50%. The quarter-point increase marked the ECB's second rate hike of 2026 and reflected growing concern that rising energy prices could keep inflation above target for longer than previously anticipated.

The Stoxx 600 closed at 635.97, down 0.69%, while the FTSE 100 fell 0.57% to 10,608.97 and Germany's DAX led decliners, down 0.84% to 25,361.15, as the rate decision rippled across the region's major benchmarks.

The ECB projected that eurozone inflation would average 3.0% in 2026 while lowering its economic-growth forecast to 0.9%. ECB President Christine Lagarde emphasized the risks posed by prolonged energy-market disruptions but offered no specific guidance regarding the timing or magnitude of additional rate increases.

European bond yields moved sharply higher following the decision. Germany's 10-year government bond yield climbed to approximately 3.48%, its highest level since 2011, as investors increased their expectations for additional monetary tightening. Energy shares benefited from rising oil prices, but the broader market was pressured by higher interest rates, a stronger U.S. dollar, and concerns about weakening economic growth.

Energy Markets

Oil Surges Above $100 as Supply Risks Expand

Energy markets delivered the day’s most consequential move. West Texas Intermediate crude oil rose approximately 5% to $101.21 per barrel, while Brent crude climbed to $106.60 per barrel—its highest level since May.

The rally followed additional attacks on oil tankers, increased threats surrounding the Strait of Hormuz, and an expansion of geopolitical risks near the Bab el-Mandeb Strait. These two strategic waterways are essential routes for global oil and natural-gas shipments, making any prolonged disruption a serious threat to energy supplies, shipping costs, and global inflation.

The rise above $100 per barrel marked an important psychological and economic threshold. If oil remains at these levels, higher transportation, manufacturing, and utility costs could place additional pressure on businesses and consumers while complicating the inflation outlook for the Federal Reserve and other central banks.

Economic & Policy Outlook

The combination of accelerating producer prices, resilient employment, and sharply higher energy costs strengthened the argument for additional monetary tightening. Markets ended the session assigning approximately a 70% probability to a Federal Reserve rate increase next week, up from roughly 61% one day earlier.

Friday's Consumer Price Index report will now carry even greater significance. Another stronger-than-expected inflation reading could solidify expectations for a rate increase and place additional upward pressure on Treasury yields. Conversely, a softer report could provide some relief, although oil's surge above $100 suggests that inflation risks will remain elevated beyond a single data release.

The Federal Reserve now faces an increasingly difficult decision. Leaving rates unchanged could allow energy-driven inflation to become more deeply embedded, while raising rates would increase borrowing costs and create additional risks for interest-rate-sensitive sectors of the economy.

The Final Word

The market's message was unmistakable: inflation has returned to the center of the investment debate. With oil above $100, the 10-year Treasury yield near 4.92%, and both the Federal Reserve and European Central Bank confronting renewed price pressures, investors must prepare for a prolonged period of tighter financial conditions and elevated volatility.

GDPNow Update:

- The GDPNow for the third quarter of 2026 was updated on September 10 falling to **4.40%**, from 4.70%, a 6.38% decrease.

Economic Update:

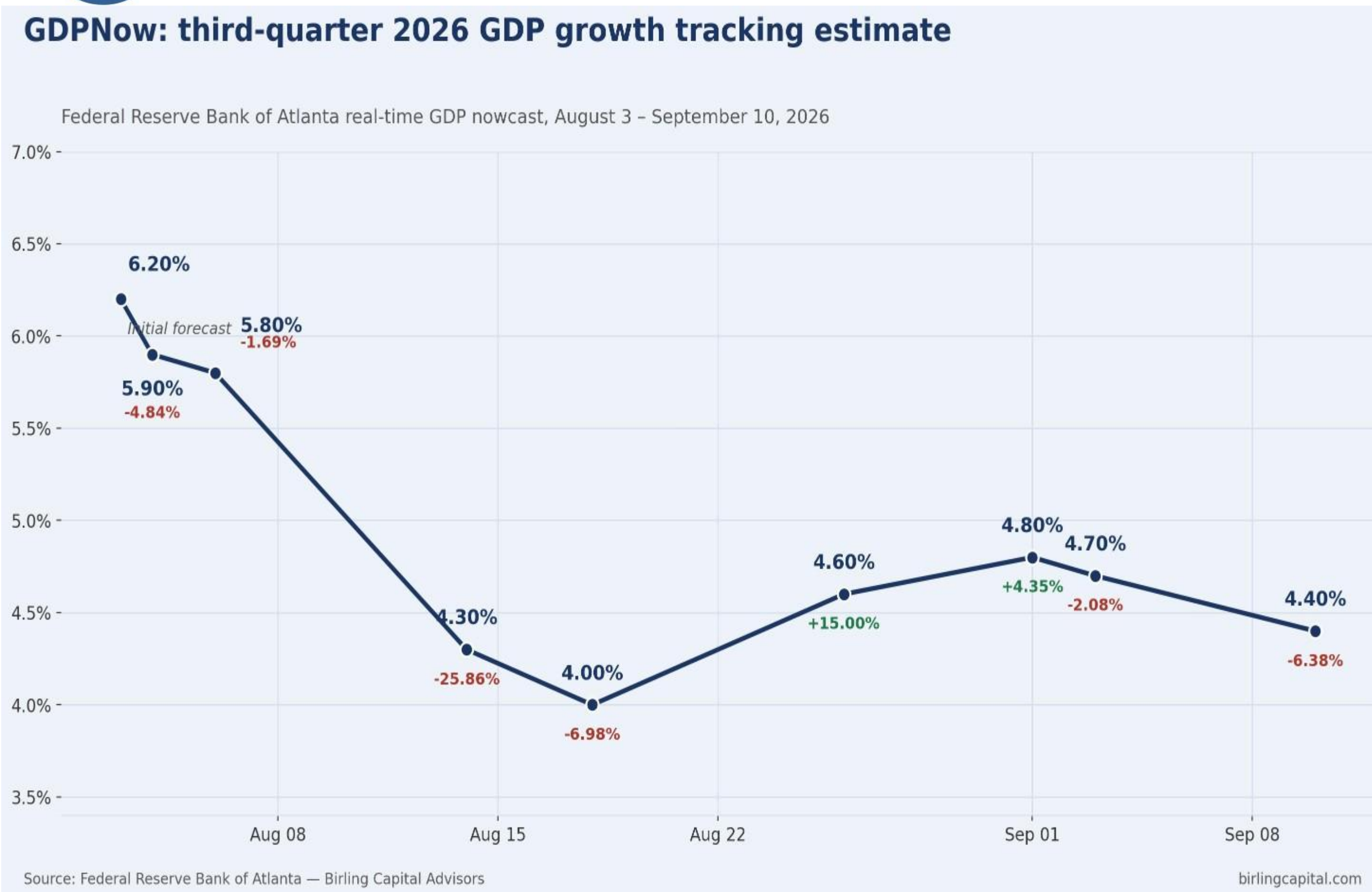
- **US Producer Price Index YoY:** rose to 5.40%, compared to 4.80% last month.
- **US Core Producer Price Index YoY:** rose to 4.60%, compared to 4.30% last month.
- **US Initial Claims for Unemployment Insurance:** rose to 206,000.0, up from 204,000.0 last week.
- **US Existing Home Sales:** fell to 4.06M, down from 4.13M last month.
- **30 Year Mortgage Rate:** rose to 6.71%, compared to 6.66% last week.
- **US Wholesale Inventories MoM:** rose to 1.29%, compared to 0.38% last month.

Eurozone Summary:

- **Stoxx 600:** closed at 640.41, down 9.19 points or 1.41%.
- **FTSE 100:** closed at 10,670.06, down 141.60 points or 1.31%.
- **DAX Index:** closed at 25,576.45, down 431.18 points or 1.66%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,064.10, down 316.56 points or 0.60%
- **S&P 500:** closed at 7,591.70, down 44.66 points or 0.58%
- **Nasdaq Composite:** closed at 26,081.72, down 171.61 points or 0.65%
- **Birling Capital Puerto Rico Stock Index:** closed at 4,998.43, down 22.27 points or 0.44%
- **Birling Capital U.S. Bank Index:** closed at 10,520.90, up 41.29 points or 0.39%
- **U.S. Treasury 10-year note:** closed at 4.95%.
- **U.S. Treasury 2-year note:** closed at 4.56%.



GDPNow: third-quarter 2026 GDP growth tracking estimate
Federal Reserve Bank of Atlanta real-time GDP nowcast, August 3 – September 10, 2026
7.0%
6.5%
6.0%
5.5%
5.0%
4.5%
4.0%
3.5%
6.20%
Initial forecast
5.80%
-1.69%
5.90%
-4.84%
4.30%
-25.86%
4.00%
-6.98%
4.60%
+15.00%
4.80%
+4.35%
4.70%
-2.08%
4.40%
-6.38%
Aug 08
Aug 15
Aug 22
Sep 01
Sep 08
Source: Federal Reserve Bank of Atlanta — Birling Capital Advisors
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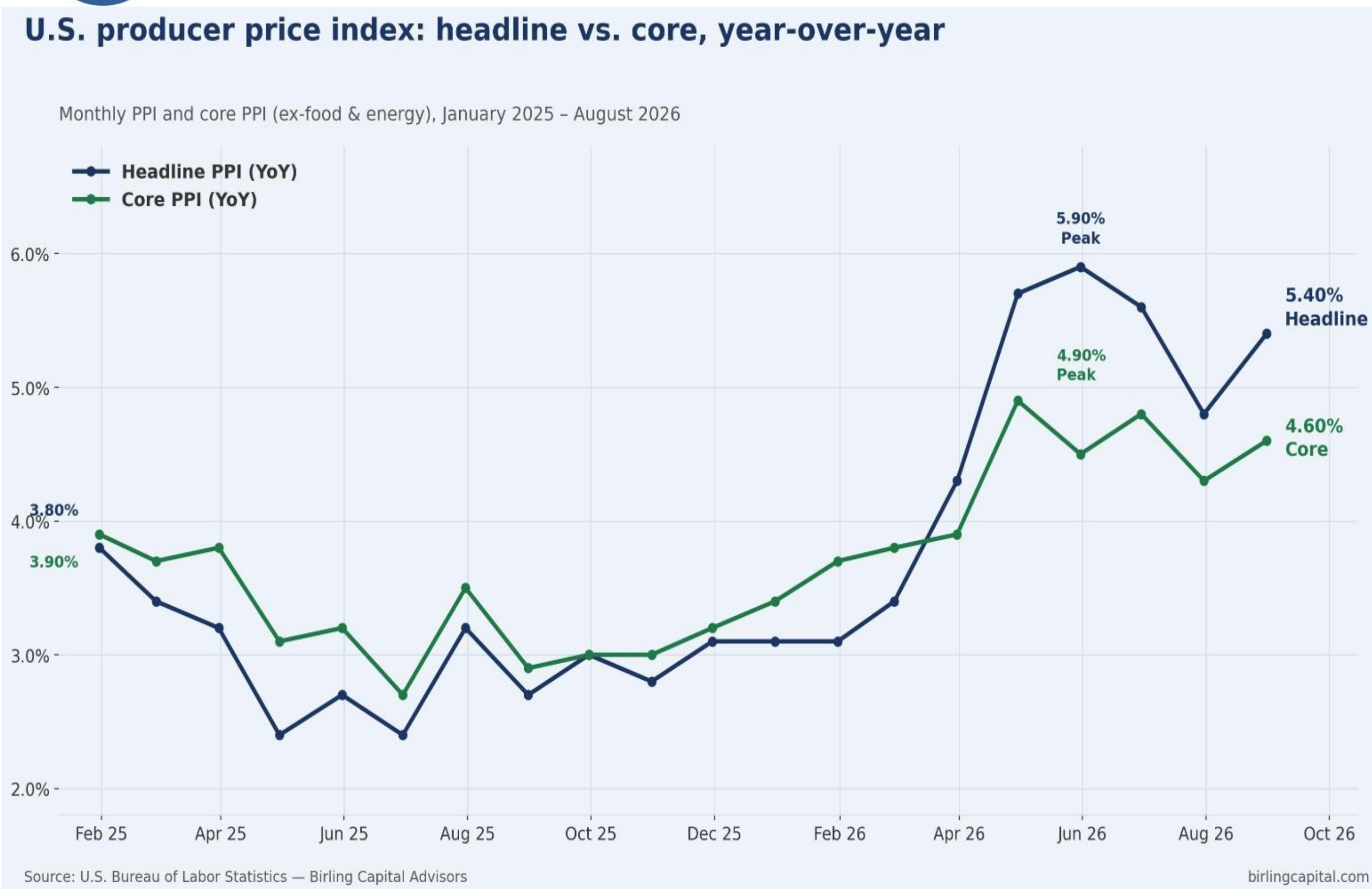

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U.S. initial claims for unemployment insurance

Source: U.S. Department of Labor — Birling Capital Advisors

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Eurozone markets close

September 10, 2026

	Stoxx 600	FTSE 100	DAX Index
Closing price	635.97	10,608.97	25,361.15
Change	▼ 4.44	▼ 61.14	▼ 215.30
% change	-0.69%	-0.57%	-0.84%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Cierre de los índices de Wall Street y Birling Capital

10 de septiembre de 2026

	Promedio Industrial Dow Jones	S&P 500	Nasdaq Composite	Índice Birling Capital PR	Índice Birling Capital Banca EE.UU.
Precio de cierre	52,064.10	7,591.70	26,081.72	4,998.43	10,520.90
	▼ -316.56	▼ -44.66	▼ -171.61	▼ -22.27	▲ +41.29
	-0.60%	-0.58%	-0.65%	-0.44%	+0.39%

Bono del Tesoro de EE.UU. a 10 años	Bono del Tesoro de EE.UU. a 2 años
4.95%	4.56%

Diferencial 2s10s: 0.39 pts

Fuente: Birling Capital Advisors, LLC

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VAL
Dow Jones Industrial Average Level 52064.10
52064.10
S&P 500 Level 7591.70
7591.70
7000.00
Nasdaq Composite Level 26081.72
26081.72
Birling Capital Puerto Rico Stock Index Level 4988.43
4988.43
4000.00
Birling Capital U.S. Bank Index Level 10520.90
10520.90
9000.00
8000.00
Jan '26
Feb '26
Mar '26
Apr '26
May '26
Jun '26
Jul '26
Aug '26
Sep '26