GLOBAL MARKET SQUARE

BIRLING CAPITAL ADVISORS, LLC

Dow snaps four-day slide, climbing 509 points as retreating oil offsets a hot inflation print

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The U.S. and European stock markets moved higher Friday, with Wall Street snapping a four-session losing streak — its longest since late April — as retreating oil prices helped investors look past a firmer-than-expected core inflation reading and rising odds of a Federal Reserve rate hike next week. The Dow Jones Industrial Average gained 509.19 points, or 0.98%, to close at 52,573.29, while the S&P 500 advanced 0.86% to 7,656.98 and the Nasdaq Composite rose 0.96% to 26,333.04. Even with Friday's rebound, all three benchmarks finished the week in the red: the Dow shed 1.6%, the S&P 500 fell 0.8%, and the Nasdaq slipped roughly 0.7% for its first negative week in three. The August consumer price index rose 3.4% from a year ago and 0.4% for the month, both in line with expectations, while core prices — which strip out food and energy — climbed 0.3% on the month, a touch hotter than consensus. Despite that upside surprise, equities pushed higher as crude oil gave back some of this week's sharp, geopolitically driven gains, easing a market that has spent the week digesting surging Treasury yields, an escalating Middle East conflict, and mounting expectations of renewed Fed tightening.

U.S. Markets

Equities snapped their longest losing streak since late April on Friday, with the Dow, S&P 500, and Nasdaq each closing roughly 1% higher. The Dow Jones Industrial Average rose 509.19 points, or 0.98%, to 52,573.29; the S&P 500 gained 0.86% to 7,656.98; and the Nasdaq Composite added 0.96% to finish at 26,333.04. The rebound followed four consecutive down sessions and could not fully offset the week's losses — the Dow finished the week down 1.6%, the S&P 500 down 0.8%, and the Nasdaq down about 0.7% in its first losing week in three. Crude oil pulled back sharply Friday, with West Texas Intermediate falling 2.4% to $100.05 a barrel and Brent crude sliding 2.8% to $104.61, as markets gave back some of this week's spike tied to Middle East tensions. Even after Friday's retreat, WTI still rallied nearly 10% this week and Brent gained almost 9%, reminding markets how directly energy prices are feeding into the inflation outlook. Treasury yields were mixed following the CPI report: the 2-year yield pushed above 4.6%, its highest level since July 2024, reflecting building expectations for a Fed rate hike, while longer-dated yields held closer to steady. The CME Group's FedWatch tool now shows an approximately 86% probability of a quarter-point hike at next week's meeting. Seema Shah, chief global strategist at Principal Asset Management, noted that market attention has shifted from whether the Fed hikes next week to how many increases this tightening cycle ultimately requires, adding that after years of above-target inflation, policymakers are unlikely to stop at a single move. Separately, Saudi Arabia's Energy Ministry said Friday it had shut down the kingdom's East-West crude oil pipeline as a precaution after the line was struck in the Riyadh and Madinah regions Thursday, an attack that left multiple people injured — a development likely to keep a geopolitical risk premium embedded in oil prices heading into next week.

European Markets

European equities firmed through the session but still closed out their steepest weekly decline in roughly two months, as elevated bond yields and mounting expectations of a more aggressive Federal Reserve tempered the advance. The pan-European Stoxx 600 traded roughly 0.4% higher ahead of the New York open, with strength led by semiconductor names — Technoprobe was among the index's top performers after customer TSMC posted strong August revenue — while FlatexDEGIRO lagged following a leadership change. European markets closed Thursday at a two-month low after the European Central Bank raised interest rates and warned that soaring energy costs, driven by the prolonged Middle East conflict, could keep inflation elevated for longer. The three indexes we follow closed higher: Stoxx 600, up 3.13 points; FTSE 100, up 41.52 points; and DAX Index, up 207.41 points.

Inflation data keeps the door open for a Fed hike

Friday's CPI report did little to ease the Federal Reserve's dilemma heading into next week's policy meeting. Beneath the headline figures, energy prices rose 2.1% for the month, the largest contributor to the overall inflation increase. In comparison, transportation services climbed 0.5% — an early signal that higher energy costs may be starting to work their way into other corners of the inflation basket. Futures markets are now assigning a roughly 84% probability to a rate hike next week, up sharply from earlier in the week, according to the CME FedWatch tool. With core inflation above 2% since 2021 and geopolitical uncertainty continuing to cloud the energy outlook, we believe a rate increase next week is the most likely outcome. We expect any renewed tightening to be relatively brief, however, particularly compared with the extended hiking cycle that began in 2022, and we do not expect it to derail the broader bull market or the economic expansion currently underway.

Energy Markets

West Texas Intermediate slipped back below $100 a barrel Friday, pulling back from Thursday's close of $102.48 — a 6.7% one-day gain — after reports that Gulf states could meet with Iran next week to discuss easing hostilities and stabilizing shipping through the Strait of Hormuz. Brent crude, which settled on Thursday at $107.63, its highest close since May 19, also eased but remained firmly higher for the week. Since the U.S.-Iran conflict began in late February, WTI is up 52.9% and has gained 78.5% year to date, underscoring how central the energy complex has become to the broader inflation and rate-path narrative. The 30-year Treasury yield touched 5.373% this week, its highest level since 2007, before easing Friday modestly alongside the pullback in crude.

Economic & Policy Outlook

We still expect the Fed to raise rates next week, but we do not see this as the start of a renewed extended tightening cycle. Policymakers are threading a narrow path: core inflation has been stuck above target for years, oil-driven price pressure is filtering into adjacent categories such as transportation services, and the labor market remains resilient enough to give the central bank room to act. At the same time, S&P 500 earnings are on pace to grow more than 30% in 2026, business investment trends remain strong, and labor conditions continue to support consumer spending. We believe these fundamentals should outweigh near-term volatility tied to the rate decision, the ongoing Middle East situation, and the approaching midterm elections.

The Final Word: We will Never Forget

Today, on the 25th anniversary of September 11, 2001, we pause to honor the 2,977 lives lost at the World Trade Center, the Pentagon, and in the fields of Shanksville, Pennsylvania. We remember, too, the first responders and recovery workers who ran toward danger, and the survivors and families who have carried the weight of that day ever since, including those still suffering the long-term toll of illnesses tied to that morning.

Puerto Rico's financial community has always been tied to New York's markets and institutions. In the aftermath of that day, we saw how quickly Wall Street, and the broader financial world that connects places like San Juan to Lower Manhattan, came together. Colleagues who had never met became family overnight. Institutions set aside competition to help each other reopen, recover, and rebuild. It was a reminder that markets are, at their core, made of people.

A quarter century later, that lesson still matters. Progress, whether in a city, an industry, or an island working through its own long recovery, is never built alone. It is built through solidarity, through showing up for one another when it counts most, and through remembering that resilience is not something we have once and move past, but something we carry forward.
We will never forget those we lost, and we remain grateful for the unity their memory continues to inspire.

Economic Update:

- **US Consumer Price Index YoY:** rose to 3.40%, compared to 3.30% last month.
- **US Core Consumer Price Index YoY:** fell to 2.40%, compared to 2.50% last month.
- **US Inflation Rate:** rose to 3.40%, compared to 3.40% last month.
- **US Index of Consumer Sentiment:** fell to 47.80, down from 51.70 last month, a decrease of 7.54%.

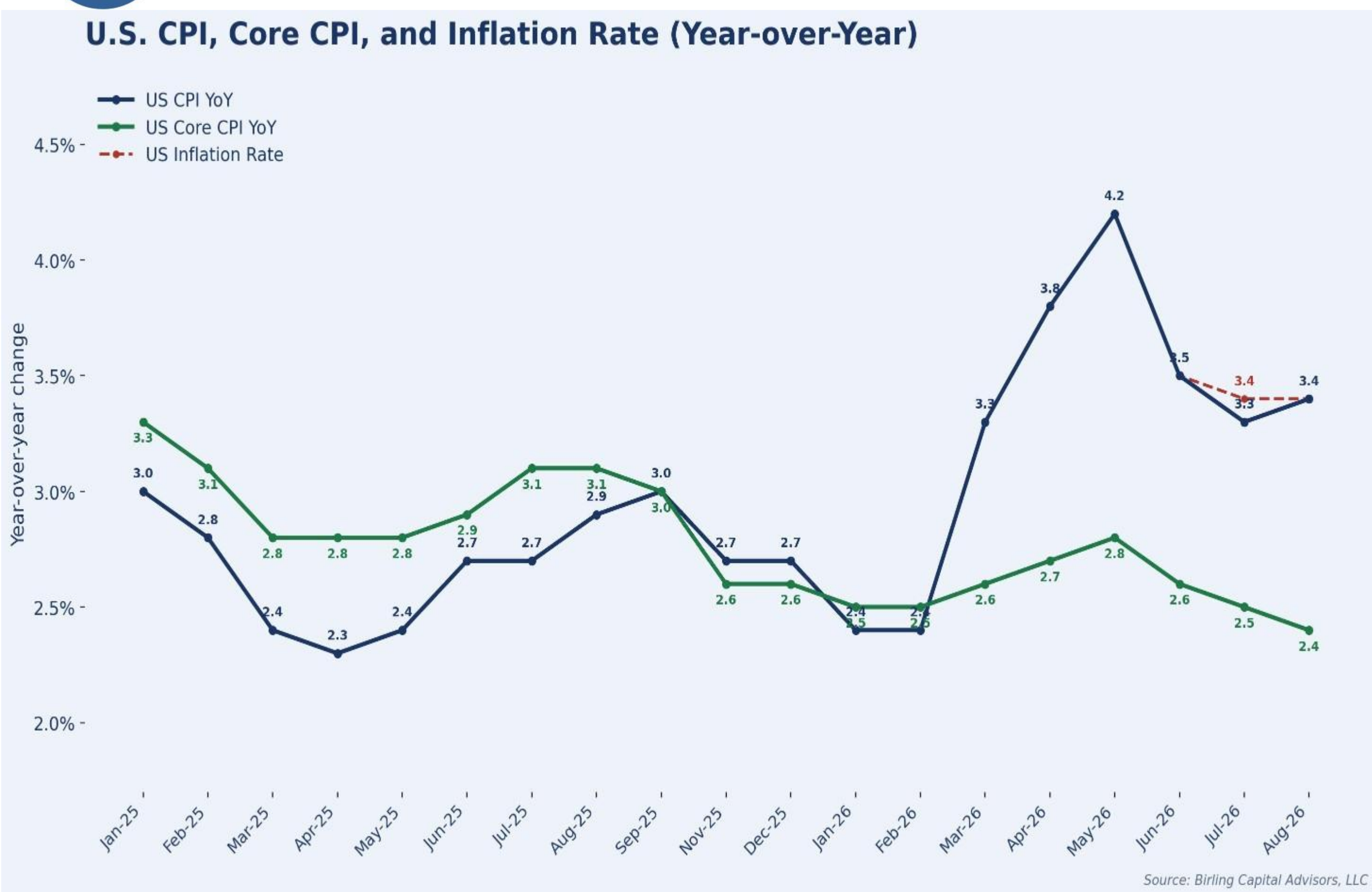
Eurozone Summary:

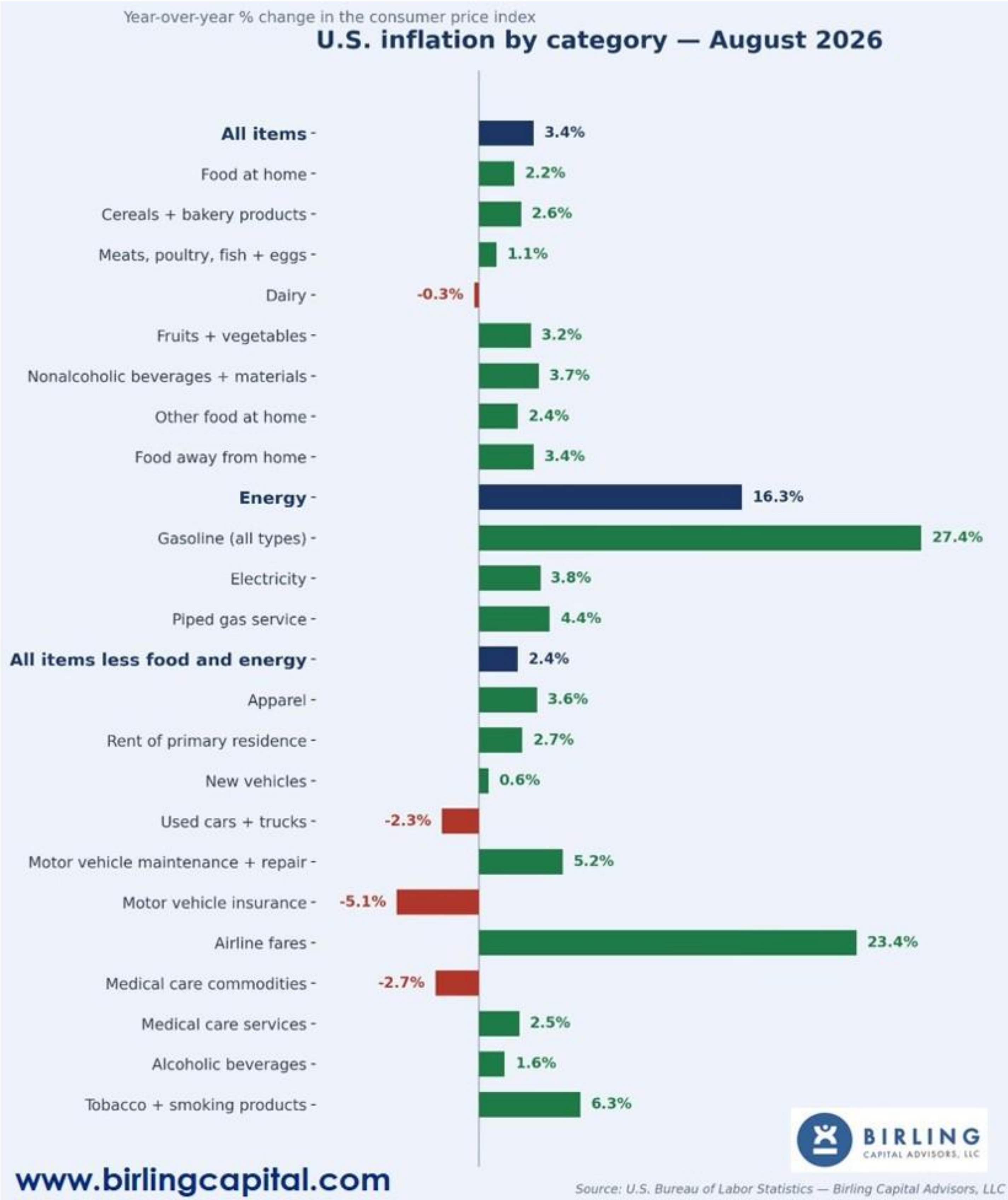
- **Stoxx 600:** closed at 639.10, up 3.13 points or 0.49%.
- **FTSE 100**: closed at 10,650.44, up 41.52 points or 0.39%.
- **DAX Index:** closed at 25,568.56, up 207.41 points or 0.82%

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,573.29, up 509.19 points or 0.98%
- **S&P 500:** closed at 7,656.98, up 65.28 points or 0.86%
- **Nasdaq Composite:** closed at 26,333.03, up 251.31 points or 0.96%

- **Birling Capital Puerto Rico Stock Index:** closed at 4,976.51, down 11.92 points or 0.24%
- **Birling Capital U.S. Bank Index:** closed at 10,480.16, down 40.74 points or 0.39%
- **U.S. Treasury 10-year note:** closed at 4.96%.
- **U.S. Treasury 2-year note:** closed at 4.63%.




Year-over-year % change in the consumer price index
U.S. inflation by category — August 2026
All items 3.4%
Food at home 2.2%
Cereals + bakery products 2.6%
Meats, poultry, fish + eggs 1.1%
Dairy -0.3%
Fruits + vegetables 3.2%
Nonalcoholic beverages + materials 3.7%
Other food at home 2.4%
Food away from home 3.4%
Energy 16.3%
Gasoline (all types) 27.4%
Electricity 3.8%
Piped gas service 4.4%
All items less food and energy 2.4%
Apparel 3.6%
Rent of primary residence 2.7%
New vehicles 0.6%
Used cars + trucks -2.3%
Motor vehicle maintenance + repair 5.2%
Motor vehicle insurance -5.1%
Airline fares 23.4%
Medical care commodities -2.7%
Medical care services 2.5%
Alcoholic beverages 1.6%
Tobacco + smoking products 6.3%
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Source: U.S. Bureau of Labor Statistics — Birling Capital Advisors, LLC


U.S. Index of Consumer Sentiment
-7.4 pts since Jul-26
Index level
75
70
65
60
55
50
45
71.7
64.7
57.0
52.2
52.2
60.7
61.7
58.2
55.1
53.6
51.0
52.9
56.4
56.6
53.3
49.8
44.8
49.5
55.2
51.7
47.8
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
Sep-26
Source: Birling Capital Advisors, LLC

Eurozone markets close

Friday, September 11, 2026

	Stoxx 600	FTSE 100	DAX Index
Closing price	639.10	10,650.44	25,568.56
Change	▲ 3.13	▲ 41.52	▲ 207.41
% change	+0.49%	+0.39%	+0.82%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street and Birling Capital indexes close

Friday, September 11, 2026

	Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital PR Stock Index	Birling Capital U.S. Bank Index
Closing price	52,573.29	7,656.98	26,333.03	4,976.51	10,480.16
Change	▲ 509.19	▲ 65.28	▲ 251.31	▼ 11.92	▼ 40.74
% Change	+0.98%	+0.86%	+0.96%	-0.24%	-0.39%

U.S. Treasury 10-year note	U.S. Treasury 2-year note
4.96%	4.63%

Source: Bloomberg, LSEG — Birling Capital Advisors

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VAL
Dow Jones Industrial Average Level 52573.29
52573.29
50000.00
VAL
S&P 500 Level 7656.98
7656.98
7000.00
VAL
Nasdaq Composite Level 26333.04
26333.04
VAL
Birling Capital Puerto Rico Stock Index Level 4976.51
4976.51
4000.00
VAL
Birling Capital U.S. Bank Index Level 10480.16
10480.16
9000.00
8000.00
Jan '26
Feb '26
Mar '26
Apr '26
May '26
Jun '26
Jul '26
Aug '26
Sep '26