Wall Street closes higher as yields and crude cool, reversing the Fed hangover

September 17, 2026

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets are closing higher on Thursday, September 17, 2026, as easing Treasury yields and retreating oil prices help investors claw back Wednesday's sell-off, which followed the Federal Reserve's first-rate increase in three years and a signal from the central bank that further tightening could still be ahead this year.

U.S. Markets

U.S. equities rallied on Thursday, recovering much of the ground lost a day earlier after the Fed raised the federal funds rate by a quarter point and Chairman Kevin Warsh cautioned that inflation remains too high for policymakers' comfort. The Dow Jones Industrial Average rose 316 points, or 0.6%, the S&P 500 gained 1.1%, and the Nasdaq Composite outperformed with a 1.7% advance as technology names led the market higher. Nvidia and Amazon each climbed roughly 2%, Microsoft added 1.5%, and chip-related names were among the day's strongest gainers, with Intel up about 7% and Qualcomm up roughly 2%. The rally reflects a market reading Wednesday's hike as the Fed getting ahead of a sticky inflation problem rather than reacting to renewed economic weakness — though with the Fed leaving the door open to another move this year, and Middle East-driven oil-supply risk still in play, the calm may prove more fragile than Thursday's price action suggests.
Underpinning the move, the 10-year Treasury yield fell more than 7 basis points to about 4.93%, slipping back below the 5% threshold it had briefly reclaimed after the Fed's decision. Oil prices eased alongside yields, with WTI crude down about 1% to roughly $101 a barrel and Brent off a similar amount to near $104, as supply concerns tied to the Middle East conflict eased on reports that Saudi Arabia is directing more crude to Asian refiners through ship-to-ship transfers near Oman's Sohar port. A cooler energy tape helped offset the inflation risk still hanging over markets: sustained high oil prices remain the more likely route through which price pressure could reassert itself, since elevated crude costs tend to work their way into retailer pricing and make the Fed's job harder the longer, they persist.

European Markets

European shares closed higher on Thursday after the Bank of England held its policy rate unchanged at 3.75%, a decision widely expected by markets. The Stoxx 600 gained 0.86%, the FTSE 100 led regional gainers with a 1.19% advance, and Germany's DAX Index added 0.70%, with investors taking encouragement from the retreat in bond yields and oil prices alongside the steady BOE stance. Asian markets finished the overnight session mixed, with no clear regional direction.

Jobless claims hit a two-year low

Initial jobless claims fell to 196,000 last week, well below the 206,000 economists had expected and a sign that layoffs remain scarce. Continuing claims — a broader measure of how many people are still drawing benefits — also declined, to 1.73 million, undercutting forecasts of 1.77 million and marking the lowest reading since January 2024. Together, the two figures point to a labor market that continues to hold up better than expected, supporting household income and consumer spending while giving the Federal Reserve more room to stay focused on inflation.

Energy Markets

Oil prices eased on Thursday, giving equities an added lift. WTI crude slipped less than 1% to around $101 a barrel, while Brent crude fell a similar amount to near $104. The pullback came as supply concerns tied to the Middle East conflict receded on reports that Saudi Arabia is directing additional crude to Asian refiners through ship-to-ship transfers near Oman's Sohar port — an alternative export route that sidesteps the region's more contested chokepoints. Cheaper crude also took some pressure off the inflation outlook, a welcome offset given the Fed's continued focus on price stability.

Economic & Policy Outlook

Privately owned housing starts fell in August to a seasonally adjusted annual rate of 1.27 million, missing estimates of roughly 1.32 million. Building permits, a forward-looking gauge of construction activity, came in at an annualized 1.39 million, also undershooting forecasts. The softness suggests homebuilders are turning more cautious as elevated borrowing costs weigh on demand — the average 30-year fixed mortgage rate has climbed to 6.76%, broadly tracking the rise in Treasury yields. With both starts and permits losing momentum, residential construction looks set to contribute less to near-term growth, though softer housing demand may eventually help moderate home-price growth and rent pressures.

The Final Word

Thursday delivered a market finding relief on every front it needed it: equities closed higher on both sides of the Atlantic, yields eased back below 5%, and oil retreated enough to take some heat off the inflation outlook. A labor market still throwing off two-year lows in jobless claims is giving the Fed room to stay patient rather than reactive. But the day's rally shouldn't be mistaken for an all-clear — softer housing starts and permits are a reminder that higher-for-longer rates are still working their way through the economy, and with the Fed leaving the door open to another hike this year, today's calm looks more like a pause than a pivot.

Economic Update:

- **US Initial Claims for Unemployment Insurance:** fell to 196,000, down from 206,000 last week a change of -4.85%.
- **US 4-Week Moving Average of Initial Claims for Unemployment Insurance:** fell to 203,250, down from 206,000 last week.
- **US Pending Home Sales YoY:** fell to -2.20%, compared to 0.28% last month.
- **US Housing Starts:** is at a current level of 1.275M, down from 1.309M last month and down from 1.291M one year ago. This is a change of -2.60% from last month and -1.24% from one year ago.
- **30 Year Mortgage Rate:** rose to 6.76%, compared to 6.71% last week.
- **Canada New Housing Price Index YoY:** is at -2.03%, compared to -2.27% last month.
- **Japan Consumer Price Index YoY:** rose to 2.00%, compared to 1.70% last month

Eurozone Summary:

- **Stoxx 600:** closed at 642.60, up 5.51 points or 0.86%.
- **FTSE 100:** closed at 10,816.14, up 127.67 points or 1.19%.
- **DAX Index:** closed at 25,716.71, up 178.96 points or 0.70%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 51,778.04, up 316.14 points or 0.61%.
- **S&P 500:** closed at 7,637.76, up 85.95 points or 1.14%
- **Nasdaq Composite:** closed at 26,418.29, up 439.87 points or 1.69%
- **Birling Capital Puerto Rico Stock Index:** closed at 4,982.06, down 42.88 points or 0.85%
- **Birling Capital U.S. Bank Index:** closed at 10,240.96, up 10.51 points or 0.10%
- **U.S. Treasury 10-year note:** closed at 4.94%.
- **U.S. Treasury 2-year note:** closed at 4.67%.

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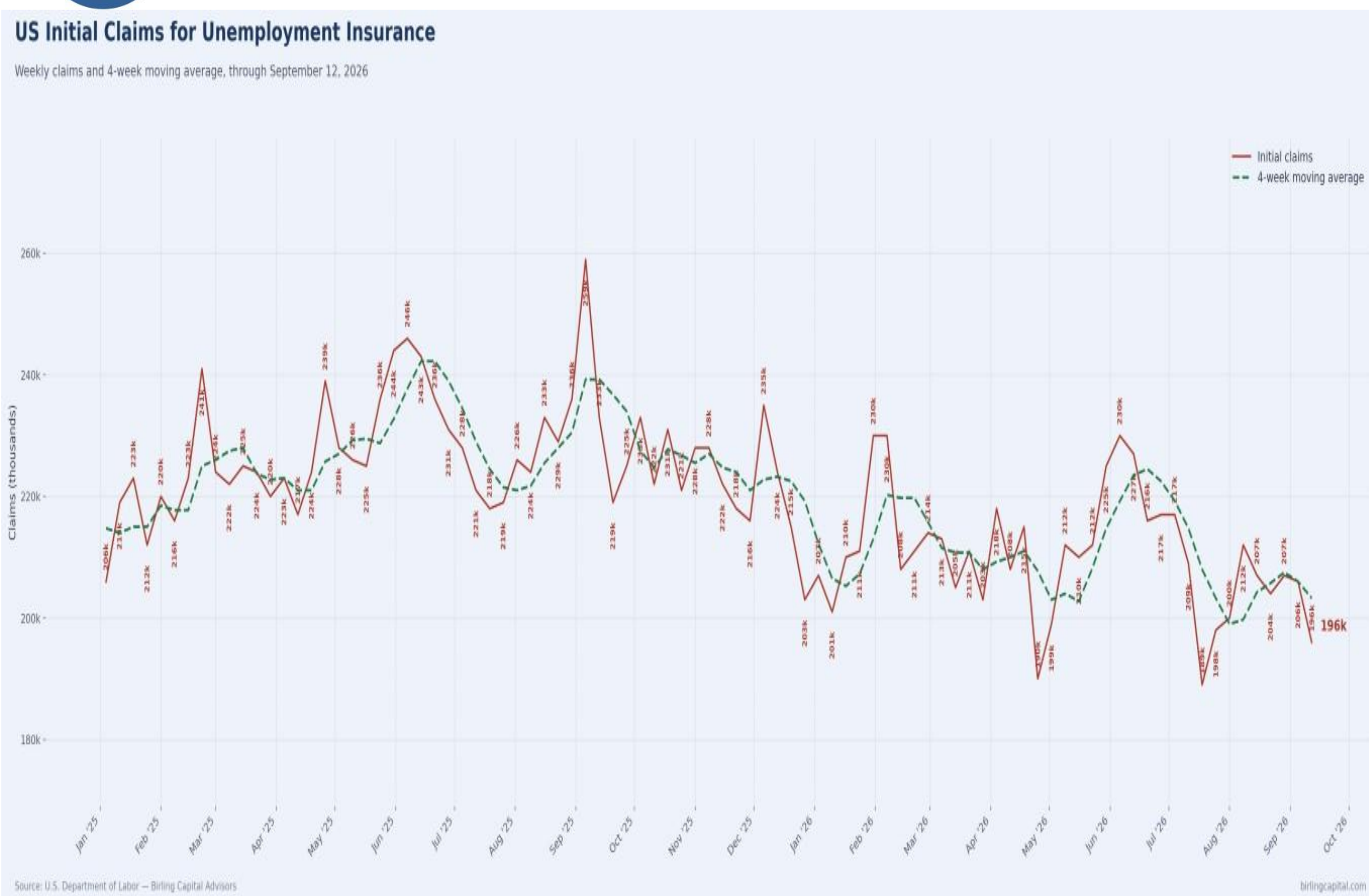

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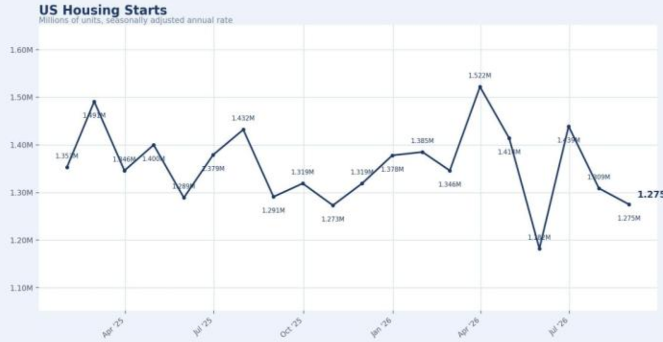
US Housing Market Dashboard

Housing starts, building permits, pending home sales, and mortgage rates, through September 10, 2026

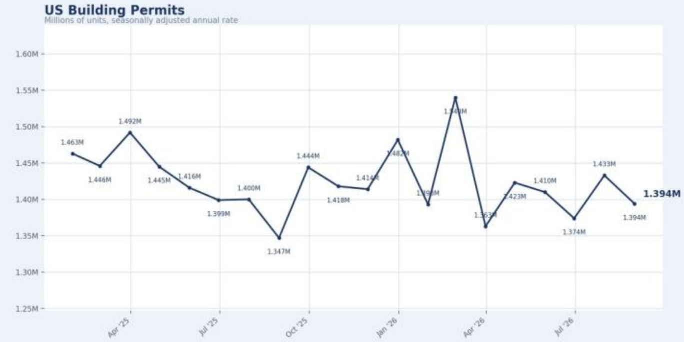
US Housing Starts

Millions of units, seasonally adjusted annual rate



US Building Permits

Millions of units, seasonally adjusted annual rate



US Pending Home Sales, Year-Over-Year

Percent change vs. same month prior year

US 30-Year Fixed Mortgage Rate

Percent, weekly average

Source: U.S. Census Bureau, NAR, Freddie Mac — Birling Capital Advisors

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Eurozone indexes close

Thursday, September 17, 2026

Stoxx 600	FTSE 100	DAX Index
Closing price	Closing price	Closing price
642.60	10,816.14	25,716.71
▲ 5.51 pts	▲ 127.67 pts	▲ 178.96 pts
+0.86%	+1.19%	+0.70%

Source: Bloomberg, LSEG — Birling Capital Advisors

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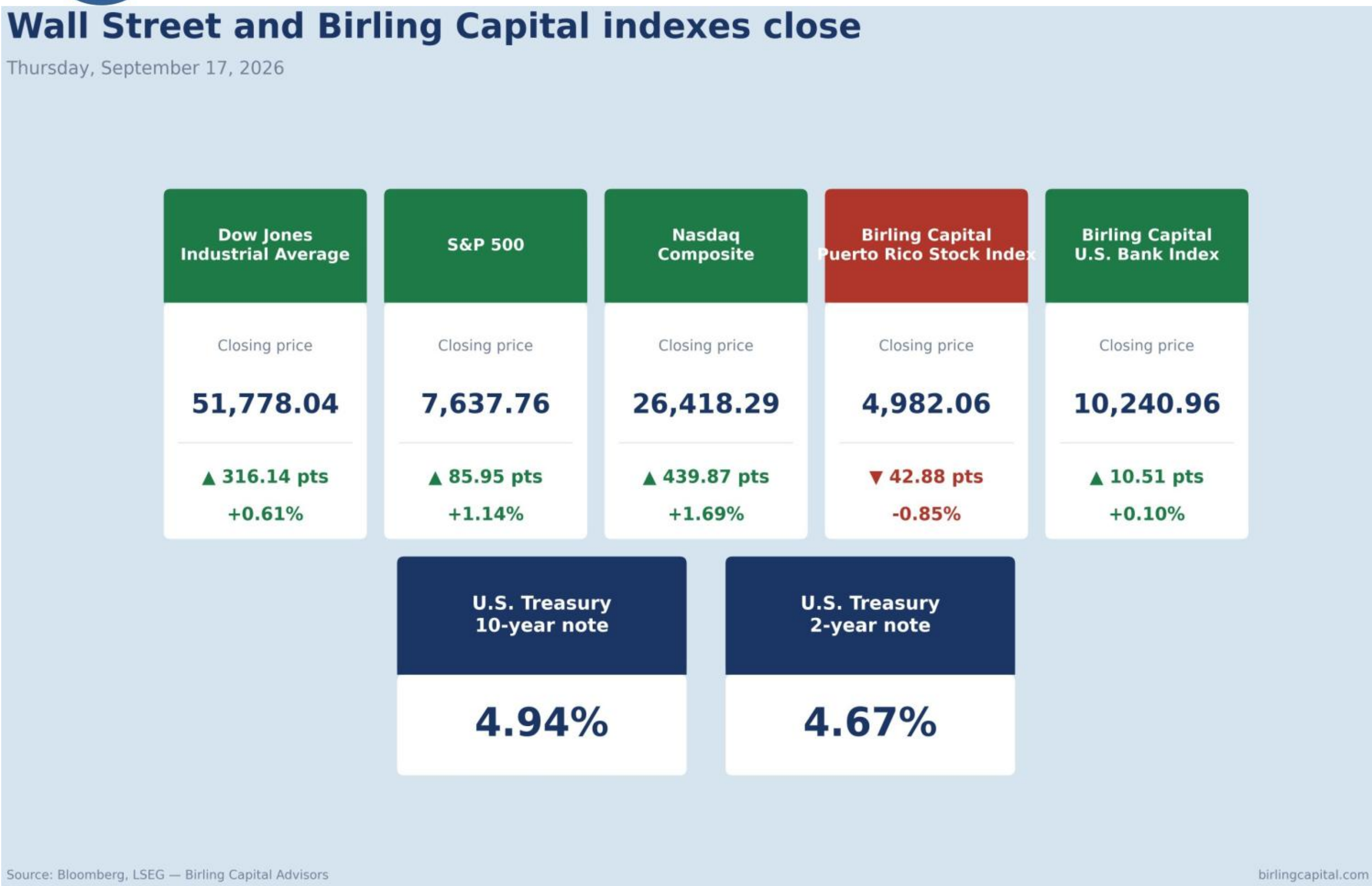
Wall Street and Birling Capital indexes close
Thursday, September 17, 2026
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+0.61%
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U.S. Treasury 10-year note
4.94%
U.S. Treasury 2-year note
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Source: Bloomberg, LSEG — Birling Capital Advisors
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