The Dow Jones falls on Friday and posts worst week since March as Treasury yields climb back above 5%, while S&P 500 and Nasdaq notch gains

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The U.S. and European stock markets closed Friday's session mixed, as a renewed climb in Treasury yields tempered the optimism that followed the Federal Reserve's interest-rate increase. The Dow underperformed the broader market, slipping to cap off its worst week since March, while the S&P 500 and Nasdaq Composite eked out modest gains, led by continued strength in technology shares.

U.S. Markets

The Dow Jones Industrial Average slipped 95.40 points, or 0.18%, to end the session at 51,682.64. The S&P 500 edged up 0.17% to close at 7,650.50, and the Nasdaq Composite outperformed, adding 0.39% to finish at 26,522.58.

Treasury yields were the session's main headwind. The 10-year note climbed back above 5%, a level it first touched earlier in the week — its highest since 2007 — before easing slightly Thursday; it last stood near 5.01%. The 2-year note closed at 4.76%.

Crude oil ended the week little changed but still firmly above the $100 mark. West Texas Intermediate fell 1.58% to settle at $100.30 a barrel, while Brent crude slipped 0.91% to close at $103.87.

For the week, the picture was mixed: the Dow logged its third consecutive losing week and its worst weekly showing since March, down about 1.7%. The S&P 500 slipped roughly 0.1%, while the Nasdaq was the lone gainer among the majors, up about 0.7% — helped by a Thursday rebound in technology shares as investors leaned back into the artificial-intelligence trade despite the prospect of higher-for-longer rates.

The Fed's move removed some uncertainty this week, but beware that this isn't a one-and-done hike — we expect at least one more increase before year-end and possibly further tightening into 2027, which he sees keeping upward pressure on yields and oil in the months ahead.

European Markets

European stocks closed lower Friday, with the Stoxx 600 declining 1.11% to 635.45. The FTSE 100 fell 0.27% to 10,659.13, while the DAX Index led the decline, dropping 1.60% to 25,304.06.

Telecommunications shares led the retreat, falling roughly 2%, while consumer staples, insurance, and energy companies also moved lower. Orange declined following an analyst downgrade, while Nestlé came under pressure after Russian authorities moved to seize the company's local assets.

European energy companies weakened alongside crude oil prices. Technology shares provided one of the few areas of strength, supported by gains among semiconductor companies.

The broader weekly picture will hinge on whether Friday's pullback offsets the gains built earlier in the week — let me know if you want that weekly framing added once you confirm the prior week's close level.

Energy Markets

Oil prices declined for a third straight session as concerns about Saudi Arabian supply disruptions eased. Brent crude fell approximately 0.8% to $103.94 per barrel, while West Texas Intermediate traded near $102.15.

Saudi Arabia’s efforts to redirect crude exports through Oman, rising inventories across several major markets, and increased Chinese refined-product exports helped ease immediate supply concerns. However, oil remained above $100 per barrel, leaving energy prices a significant source of inflationary risk.

The relationship between crude oil prices and government-bond yields has strengthened considerably as geopolitical tensions in the Middle East increasingly influence inflation expectations. Energy markets will therefore remain an important driver of central-bank policy, consumer confidence, and global economic activity.

Economic & Policy Outlook

The Bank of Japan raised its policy rate from 1.00% to 1.25%, reaching its highest level since 1995. The increase passed 7–2, with two board members dissenting over concerns about economic growth. Despite the rate hike, the yen weakened to about ¥158 against the U.S. dollar as investors questioned how quickly the Bank of Japan would pursue further tightening. The currency's reaction demonstrated that the decision was largely anticipated and that markets wanted a clearer commitment to further normalization.

Investor attention will now turn toward the September 24 meeting between President Donald Trump and Chinese President Xi Jinping. The discussions are expected to address the future of the U.S.–China trade truce, which is scheduled to expire in November, as well as trade, technology, Taiwan, and broader geopolitical issues.

President Trump is also expected to meet with Gulf leaders as Middle East tensions remain elevated. On the economic calendar, next week will be comparatively light, with Wednesday's preliminary U.S. Purchasing Managers' Index among the most closely watched releases.

The Final Word

Markets ended a pivotal central-bank week with technology leadership intact but little room for complacency. The Federal Reserve restored some inflation-fighting credibility, the Bank of Japan advanced its normalization process, and lower oil prices provided temporary relief. The next test will be whether energy markets remain contained and diplomacy can reduce the geopolitical risks still embedded in inflation, interest rates, and global trade.

Economic Update:

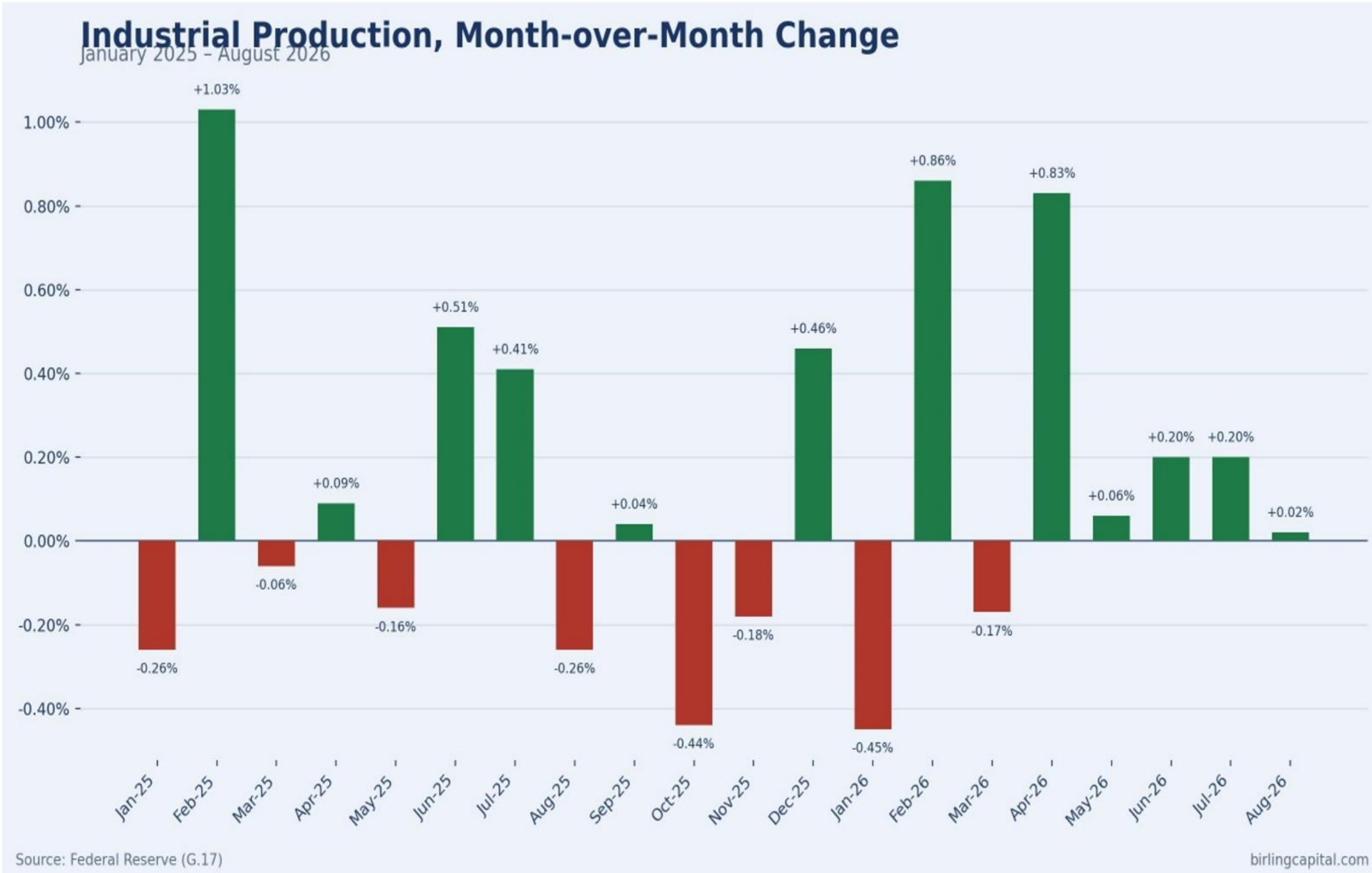
- **US Industrial Production MoM:** fell to 0.02%, compared to 0.20% last month.

Eurozone Summary:

- **Stoxx 600:** closed at 635.45, down 7.15 points or 1.11%.
- **FTSE 100:** closed at 10,659.13, down 29.37 points or 0.27%.
- **DAX Index:** closed at 25,304.06, down 412.65 points or 1.60%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 51,682.64, down 95.40 points or 0.18%.
- **S&P 500:** closed at 7,650.50, up 12.74 points or 0.17%.
- **Nasdaq Composite:** closed at 26,522.58, up 104.25 points or 0.39%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,903.28, down 13.36 points or 0.27%
- **Birling Capital U.S. Bank Index:** closed at 10,021.75, up 34.85 points or 0.35%
- **U.S. Treasury 10-year note:** closed at 5.01%.
- **U.S. Treasury 2-year note:** closed at 4.76%.


Industrial Production, Month-over-Month Change
January 2025 – August 2026
1.00%
0.80%
0.60%
0.40%
0.20%
0.00%
-0.20%
-0.40%
-0.26%
+1.03%
-0.06%
+0.09%
-0.16%
+0.51%
+0.41%
-0.26%
+0.04%
-0.44%
-0.18%
+0.46%
-0.45%
+0.86%
-0.17%
+0.83%
+0.06%
+0.20%
+0.20%
+0.02%
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
Source: Federal Reserve (G.17)
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European markets and Birling Capital indexes close

Friday, September 18, 2026

Stoxx 600	FTSE 100	DAX Index
Closing price	Closing price	Closing price
635.45	10,659.13	25,304.06
▼ -7.15	▼ -29.37	▼ -412.65
-1.11%	-0.27%	-1.60%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street and Birling Capital indexes close

Friday, September 18, 2026

	Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital PR Stock Index	Birling Capital U.S. Bank Index
Closing price	51,682.64	7,650.50	26,522.58	4,903.28	10,021.75
Change	▼ 95.40	▲ 12.74	▲ 104.25	▼ 13.36	▲ 34.85
%	0.18%	0.17%	0.39%	0.27%	0.35%

U.S. Treasury 10-year note	U.S. Treasury 2-year note
5.01%	4.76%

Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street Close
September 18, 2026