GLOBAL MARKET SQUARE

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The Dow Jones Rises 295.03 Points Snapping A Three-Day Slide as Treasury Yields Cool

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The U.S. and European stock markets ended mixed Wednesday as U.S. Treasury yields paused after their recent climb to multiyear highs, letting the major averages snap a three-day losing streak, while European equities remained under pressure from rising bond yields, elevated energy prices, and renewed tensions between the United States and Iran.

The improvement in market sentiment remained measured. The 10-year U.S. Treasury yield touched a high of 4.818% intraday — a level not seen since November 2023 — before easing back to roughly unchanged by the close. Brent crude remained close to $95 per barrel. Both levels reinforced concerns that higher financing and energy costs could complicate the inflation outlook and influence the Federal Reserve's September 16–17 policy decision.

U.S. Markets

The S&P 500 advanced 0.46% to 7,666.60, the Nasdaq Composite gained 0.45% to close at 26,217.83, and the Dow Jones Industrial Average added 295.07 points, or 0.56%, to end at 53,061.95. The 30-stock index was boosted by gains in Nvidia and Johnson & Johnson shares.

Stocks had been pressured lately by elevated bond yields as traders worried about the impact of rising oil prices on inflation, and Wednesday's advance broke that three-session losing streak. Yields in the U.K., Germany, and France also rose, while Japan's 10-year government bond yield traded near multi-decade highs.

Jay Hatfield, CEO of Infrastructure Capital Advisors, pointed to oil as the key driver behind the rally, noting the market remains rangebound during a seasonally weak period and that easing crude prices gave stocks room to rebound. He expects the S&P 500 to eventually bottom out near 7,500.

West Texas Intermediate crude futures settled up almost 1% at $91.01 per barrel, while Brent Crude Futures closed at $95.63 after a similar advance. The gains came as the U.S. launched additional military strikes on Iran, raising concern the conflict could escalate further. Hatfield said a lasting peace deal looks unlikely, but he expects oil to trend lower over the next six months as non-OPEC production ramps up and alternative routes develop.

Energy Secretary Chris Wright stated that more than 17 million barrels of oil moved through the Strait of Hormuz on Monday — the highest volume since the Iran conflict began in February.

European Markets

European equities closed lower as the combination of rising sovereign-bond yields, higher energy costs, and escalating Middle East tensions weighed on investor sentiment.

The Stoxx Europe 600 declined approximately 0.3% to 645.42, its lowest level in about a month. European markets remained particularly sensitive to the increase in oil prices because of the region's dependence on imported energy. Government borrowing costs also rose across the continent, with Germany's 10-year bond yield reaching its highest level since 2011.

Retail shares led to the declines, while selected banking and technology companies provided limited support. The divergence between Wall Street and Europe reflected the stronger influence of AI-related earnings on U.S. equities and Europe's greater exposure to energy-price and sovereign-debt concerns.

Energy Markets

Oil prices stabilized near elevated levels after advancing sharply during the previous sessions. Brent crude settled near $95 per barrel as investors continued to assess the consequences of renewed U.S.-Iran hostilities and potential disruptions to energy flows through the Strait of Hormuz.

Although the pause in the oil rally offered some relief to financial markets, energy-driven inflation remained an important risk. Diesel prices were hovering near their April highs, raising the possibility of increased transportation, manufacturing, and distribution costs throughout the economy.

The inflationary consequences would become more significant if crude and refined-product prices remained elevated for an extended period. For the Federal Reserve, sustained energy-price pressures could make it more difficult to balance slower employment growth against inflation that remains above its target.

Economic & Policy Outlook

The August ADP National Employment Report showed that private employers added 38,000 jobs, below expectations and down from an upwardly revised 46,000 in July. It was the weakest monthly increase since January.

Hiring was concentrated in a limited number of industries. Education and health services added 45,000 positions, leisure and hospitality gained 16,000, and construction added 12,000. Those increases were partially offset by losses in manufacturing, professional and business services, and information. Base-pay growth for job-stayers remained at 3.0% from one year earlier.

The report suggested that employment growth continued to lose momentum, although it was unlikely to determine the Federal Reserve's September decision on its own. Investors now turn to Friday's employment report and next week's inflation data for a clearer assessment of the economy.

Following Federal Reserve Chair Kevin Warsh's hawkish Jackson Hole address, futures markets raised the implied probability of a September interest-rate increase to approximately two-thirds. Warsh emphasized that economic growth remained solid, labor-market conditions were stable, and inflation continued to exceed the Fed's objective.

Navigating September's Seasonal Headwinds

September has historically produced the weakest average performance and the lowest probability of a positive return of any month for U.S. equities. The seasonal pattern can become more pronounced during midterm-election years, when political uncertainty frequently weighs on investor sentiment.

However, seasonality alone does not determine market direction. The most damaging September and October declines have generally occurred alongside deteriorating economic conditions, weakening earnings, or broader financial stress. Those conditions do not currently define the market environment.

Corporate earnings remain strong, AI-related capital investment continues to expand, credit spreads remain contained, and estimates point toward continued U.S. economic growth during the third quarter. These fundamentals should provide support even as elevated yields, energy prices, and geopolitical tensions generate periods of volatility.

The Final Word: Strong Fundamentals Confront a More Demanding Macro Environment

Wednesday's rebound demonstrated that investors remain willing to buy market weakness when corporate results confirm durable earnings growth. Dell's extraordinary performance offered further evidence that the AI investment cycle continues to broaden and strengthen.

However, the market's path will increasingly depend on whether Treasury yields, and energy prices stabilize. September's seasonal weakness deserves attention, but it is not sufficient by itself to end the broader market uptrend. The more consequential test will be whether inflation permits the Federal Reserve to remain patient—or forces policymakers to tighten monetary policy into a labor market that is already losing momentum.

Economic Update:

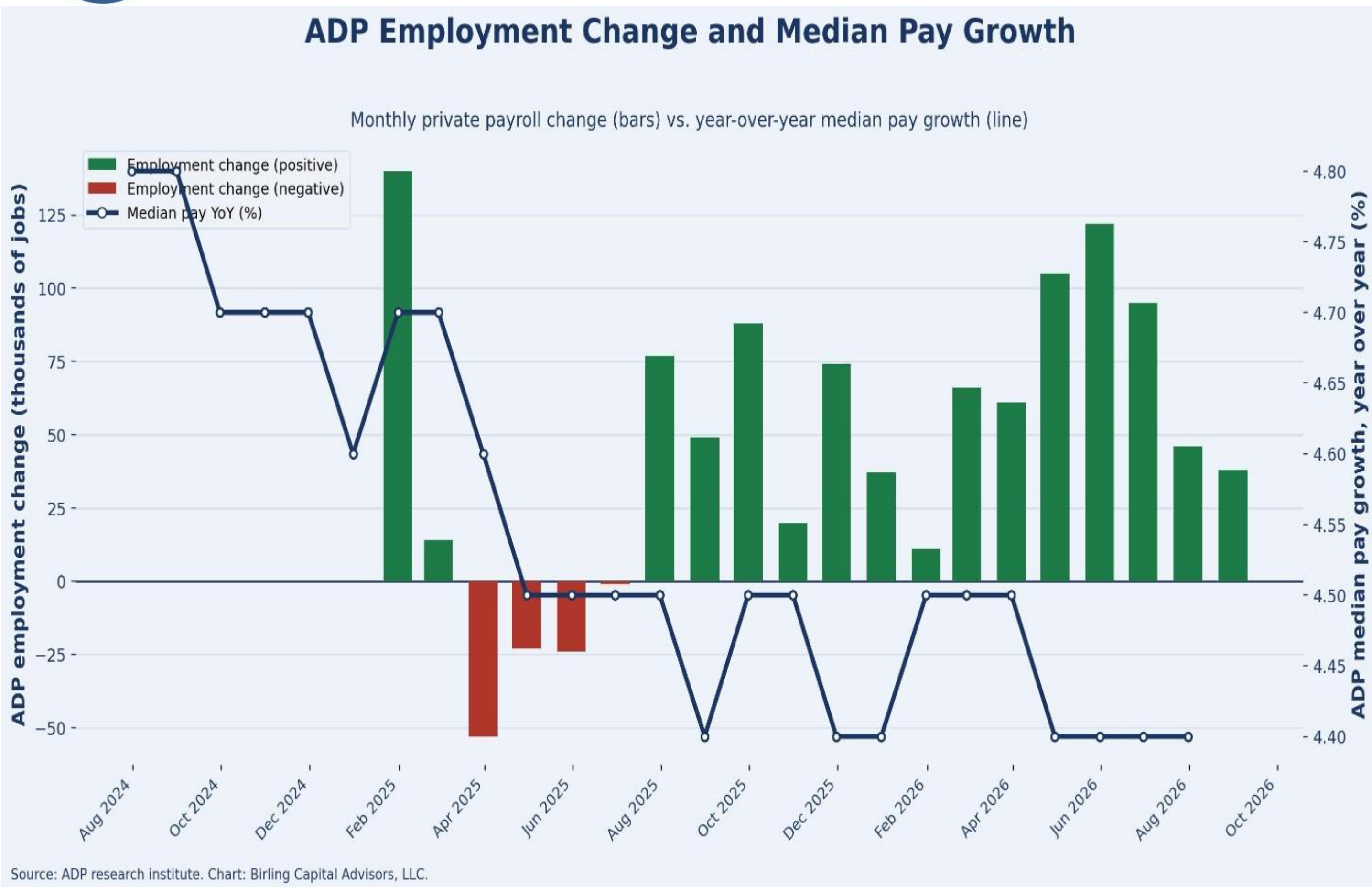
- **ADP Employment Change:** fell to 38,000, down from 46,000 last month, a change of -17.39%.
- **ADP Median Pay YoY:** is unchanged at 4.40%, compared to 4.40% last month.
- **US Crude Oil Stocks WoW:** fell to 95,000, down from 4.405 million last week, a change of -97.84%.

Eurozone Summary:

- **Stoxx 600:** closed at 645.91, down 1.55 points or 0.24%.
- **FTSE 100:** closed at 10,756.45, down 32.83 points or 0.30%.
- **DAX Index:** closed at 25,839.33, down 130.78 points or 0.50%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,061.95, up 295.07 points or 0.56%
- **S&P 500:** closed at 7,666.60, up 35.13 points or 0.46%
- **Nasdaq Composite:** closed at 26,217.82, up 118.05 points or 0.45%
- **Birling Capital Puerto Rico Stock Index:** closed at 4,990.50, down 23.58 points or 0.47%
- **Birling Capital U.S. Bank Index:** closed at 10,294.21, down 27.95 points or 0.27%
- **U.S. Treasury 10-year note:** closed at 4.79%.
- **U.S. Treasury 2-year note:** closed at 4.39%.


ADP Employment Change and Median Pay Growth
Monthly private payroll change (bars) vs. year-over-year median pay growth (line)
Employment change (positive)
Employment change (negative)
Median pay YoY (%)
ADP employment change (thousands of jobs)
ADP median pay growth, year over year (%)
125
100
75
50
25
0
−25
−50
4.80
4.75
4.70
4.65
4.60
4.55
4.50
4.45
4.40
Aug 2024
Oct 2024
Dec 2024
Feb 2025
Apr 2025
Jun 2025
Aug 2025
Oct 2025
Dec 2025
Feb 2026
Apr 2026
Jun 2026
Aug 2026
Oct 2026
Source: ADP research institute. Chart: Birling Capital Advisors, LLC.

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Eurozone Summary

Closing prices, Wednesday, September 2, 2026

	Stoxx 600	FTSE 100	DAX Index
Closing Price	645.91	10,756.45	25,839.33
	▼ -1.55 pts	▼ -32.83 pts	▼ -130.78 pts
	(-0.24%)	(-0.30%)	(-0.50%)

Source: Bloomberg

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Wall Street and Birling Capital Indexes Close

Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital PR Stock Index	Birling Capital U.S. Bank Index
53,061.95	7,666.60	26,217.82	4,990.50	10,294.21
+295.07	+35.13	+118.05	-23.58	-27.95
(+0.56%)	(+0.46%)	(+0.45%)	(-0.47%)	(-0.27%)

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
4.79%	4.39%

10-Year / 2-Year Treasury Spread: 0.40%

Source: Bloomberg, Birling Capital

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Wall Street Recap
September 2, 2026