



Global AI Rally Powers Wall Street Higher as Oil Prices and Treasury Yields Retreat

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The U.S. and European stock markets rallied Monday as a powerful rebound in artificial intelligence and semiconductor shares combined with lower oil prices and easing Treasury yields to restore investor confidence. The Nasdaq led Wall Street's advance, followed by the S&P 500 and Dow Jones Industrial Average, as investors returned aggressively to technology stocks after a volatile week. The improvement in market sentiment was reinforced by a sharp decline in crude oil prices amid renewed hopes that diplomacy could reduce tensions between the United States and Iran. Treasury yields moved lower alongside oil, providing additional relief to equity valuations after the 10-year Treasury yield recently surpassed 5%.

European markets also finished broadly higher, with the Stoxx 600, FTSE 100, and DAX recording solid gains as investors welcomed the retreat in energy prices and the possibility of easing geopolitical tensions.

U.S. Markets

Wall Street began the week with a broad advance led by technology and artificial intelligence-related stocks. The S&P 500 rose 1.4%, the Nasdaq Composite surged 2.2%, and the Dow Jones Industrial Average gained approximately 0.7%. The rally brought the major averages closer to their record levels after last week's uneven performance.

Semiconductor stocks were among the session's strongest performers. Intel surged more than 14%, Advanced Micro Devices gained nearly 9% as its market capitalization approached \$1 trillion, and other AI-related companies advanced as investors renewed their focus on the long-term expansion of artificial intelligence infrastructure.

The rally extended beyond technology as falling oil prices and lower Treasury yields improved the broader risk environment. West Texas Intermediate crude declined approximately 4% but remained above \$95 per barrel, while Brent crude fell more than 3% to slightly above \$100.

The 10-year Treasury yield retreated to 4.96%, while the 30-year yield declined to 5.29%. Although borrowing costs remained historically elevated, Monday's pullback reduced some of the valuation pressure that had weighed on equities.

Geopolitical developments remained central to the market outlook. President Donald Trump indicated that he could be open to meeting Iranian President Masoud Pezeshkian during the United Nations General Assembly, raising hopes that diplomacy could prevent another escalation in the Middle East. Investors also turned their attention to the expected meeting between President Trump and Chinese President Xi Jinping, where artificial intelligence, tariffs, critical minerals, and broader trade relations were expected to dominate the agenda.

European Markets

European markets closed broadly higher on Monday as falling oil prices, lower bond yields, and renewed diplomatic optimism strengthened investor sentiment across the region.

The Stoxx 600 gained 6.48 points, or 1.02%, to close at 641.93. London's FTSE 100 advanced 79.88 points, or 0.75%, to 10,739.01, while Germany's DAX climbed 270.95 points, or 1.07%, to finish at

25,575.01.

The synchronized advance reflected renewed demand for risk assets as easing energy prices reduced inflationary pressures and declining sovereign-bond yields supported equity valuations. Government bond prices rose across the region, pushing benchmark interest rates down about 5 to 10 basis points. This drop boosted sensitivity to rate changes. It helped ease some valuation pressure from the recent global rise in borrowing costs.

Energy Markets

On Monday oil prices dropped sharply as investors considered the possibility of diplomatic advances at this week's United Nations General Assembly. Brent crude fell by more than 3% and reached towards \$100 a barrel, moving away from a recent peak of nearly \$110, and West Texas Intermediate also declined.

The retreat offered markets much-needed relief, but oil stayed considerably higher than it was during the summer. As a result, the energy market is still a major source of concern with regard to inflation, consumer spending, and central-bank policy.

Economic and Policy Outlook

Diplomacy will be the main focus of the week's activities, with a meeting between President Donald Trump and Chinese President Xi Jinping planned for Wednesday after earlier talks between U.S. and Chinese officials on trade, investment and artificial intelligence.

The meeting is anticipated to center on extending the present U.S.–China trade truce, which is currently set to expire in November, and any actual agreement reached could help to reduce uncertainty for businesses, aid global trade and improve the prospects for technology companies that have a great deal of exposure to China.

President Trump also suggested he might be willing to meet Iranian President Masoud Pezeshkian on the sidelines of the United Nations General Assembly, and even limited diplomatic progress could help restore confidence in Middle Eastern energy supplies and reduce the geopolitical premium built into oil prices.

The economic calendar contains only a small number of events. Investors will be watching preliminary September PMI figures, durable-goods orders, and housing market data. At the same time, several Federal Reserve officials are set to speak, providing additional insight into the reasons for last week's rate rise and the circumstances that could prompt another decision.

The Final Word: Will Trump-Style Diplomacy Work This Time?

Monday's Rally gave investors much-needed relief, but it also showed how much global markets rely on oil prices, bond yields, and geopolitical events. The drop in energy prices led to a recovery in the value of technology shares and caused the 10-year Treasury yield to fall below 5 percent, although the basic risks are still there.

President Trump's transactional style of conducting diplomacy is now being put to the test. Talks with China, Iran, and the key Gulf states might alleviate trade tensions, restore confidence in international energy supplies, and lead to a continued recovery in the market. Yet merely using encouraging language will not be sufficient. Investors will require genuine agreements, verifiable progress, and most important of all, a continued fall in oil prices.

Diplomacy has thus far opened the way for a more constructive week, but it remains to be seen whether diplomacy of the Trump kind can achieve concrete results this time.

Eurozone Summary:

- **Stoxx 600:** closed at 641.93, up 6.48 points or 1.02%.
- **FTSE 100:** closed at 10,739.01, up 79.88 points or 0.75%.
- **DAX Index:** closed at 25,575.01, up 270.95 points or 1.07%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,048.83, up 366.19 points or 0.71%.
- **S&P 500:** closed at 7,764.70, up 114.20 points or 1.49%.
- **Nasdaq Composite:** closed at a record 27,122.09, up 599.55 points or 2.26%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,900.18, down 3.10 points or 0.06%.
- **Birling Capital U.S. Bank Index:** closed at 9,959.89, down 61.85 points or 0.62%.
- **U.S. Treasury 10-year note:** closed at 4.96%.
- **U.S. Treasury 2-year note:** closed at 4.76%.



Eurozone indexes close

Monday, September 21, 2026



Source: Bloomberg, LSEG — Birling Capital Advisors

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Wall Street and Birling Capital indexes close

Monday, September 21, 2026



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Wall Street Recap

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