Dow Tumbles 1,033.59 Points in Two Days as Oil Tops $101 and Treasury Yields Surge

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The U.S. and European stock markets closed lower Wednesday as rising oil prices and Treasury yields intensified concerns about inflation and the direction of monetary policy. The Dow Jones Industrial Average fell approximately 405 points, or 0.8%, extending its decline to a third consecutive session. The S&P 500 dropped 0.5%, while the Nasdaq Composite declined 0.6%.

Brent crude settled above $101 per barrel, and West Texas Intermediate closed above $96 as escalating tensions between the United States and Iran raised the risk of further disruptions to Middle Eastern energy supplies. The 10-year U.S. Treasury yield climbed above 4.85%, reaching its highest level since November 2023, after the Treasury Department's expanded bond-buyback plan fell short of the market's expectations.

The combination of higher oil prices and rising bond yields renewed pressure on equity valuations and reinforced expectations that the Federal Reserve may need to maintain a restrictive monetary stance—or raise rates again—to contain inflation.

U.S. Markets

Wall Street closed broadly lower on Wednesday, extending a sharp two-day retreat that erased 1,033.59 points from the Dow Jones Industrial Average. The magnitude of the decline reflected a rapid reassessment of inflation and interest-rate risks as oil prices moved above $100 per barrel and Treasury yields climbed to multiyear highs.

The Dow fell approximately 405 points, or 0.8%, during Wednesday's session, while the S&P 500 lost 0.5% and the Nasdaq Composite declined 0.6%. The two-day selloff demonstrated how quickly market sentiment could deteriorate when higher energy prices and rising borrowing costs threatened economic growth, consumer spending, corporate margins, and equity valuations simultaneously.

Treasury yields rose after the Treasury Department announced that it would increase its next buyback of longer-dated government securities to as much as $6 billion—three times the size of its previous operation. However, the announcement failed to calm the bond market because some investors had anticipated purchases of between $7 billion and $8 billion. The 10-year Treasury yield rose above 4.85%, reaching its highest level since November 2023.

Oil prices added to the pressure. Brent crude gained 3.36% to settle at $101.21 per barrel, while West Texas Intermediate advanced 3.25% to $96.05. Both benchmarks recorded their highest settlements since May as escalating tensions between the United States and Iran intensified concerns about Middle Eastern energy supplies and shipping through the Strait of Hormuz.

The Dow's 1,033.59-point decline over two sessions was significant because it reflected more than a temporary geopolitical reaction. Investors were confronting the possibility that sustained energy inflation could delay monetary-policy relief—or force the Federal Reserve to raise interest rates again. Although equity indexes remained near historically elevated levels, the combination of oil above $100 and the 10-year Treasury yield above 4.85% created a more challenging environment for stocks.

European Markets

European markets closed broadly lower as Brent crude's move above $100 intensified concerns about inflation and economic growth. Europe's dependence on imported energy left the region particularly vulnerable to another sustained increase in oil prices.

The Stoxx 600 declined, while Germany's DAX, the United Kingdom's FTSE 100, and France's CAC 40 also lost ground. Energy shares outperformed, but weakness across consumer, financial, luxury, and industrial companies weighed on the broader market.

Fortum was a notable exception after the Finnish energy company signed a long-term power-purchase agreement with Google. The agreement accompanied Google's plan to invest at least €13 billion in artificial intelligence infrastructure in Finland over the next two years.

Inditex, the parent company of Zara, declined after reporting weaker-than-expected second-quarter profits. Investors also remained cautious ahead of the European Central Bank's interest-rate decision and Germany's latest inflation report.

Energy Markets

Energy markets became the central force driving Wednesday's global trading session. Brent crude rose above $100 per barrel, while West Texas Intermediate climbed beyond $95 as investors assessed the risk of additional disruptions to oil production, infrastructure, and shipping routes.

Crude prices have risen approximately 25% since early August as hopes for a durable diplomatic settlement faded and military activity intensified. Attacks against Saudi energy facilities added another layer of uncertainty, particularly as Saudi Arabia has attempted to redirect exports away from the Strait of Hormuz.

The $100 level represented more than a psychological milestone. If sustained, current prices could weaken global demand, pressure corporate margins, reduce consumer purchasing power, and complicate efforts by central banks to restore price stability.

Economic & Policy Outlook

The renewed surge in oil prices arrived at a particularly sensitive moment for monetary policy. August's Producer Price Index will be released Thursday, followed by the Consumer Price Index on Friday. These will be the final major inflation reports before next week's Federal Open Market Committee meeting.

Futures markets assigned approximately a 60% probability to an interest-rate increase, which would represent the Federal Reserve's first hike since 2023. The federal funds target range currently stands at 3.50%–3.75%, following the reductions implemented after rates peaked at 5.25%–5.50%.

Although inflation has fallen significantly from its 2022 peak, underlying price pressures have remained above levels consistent with the Federal Reserve's 2% objective. With economic activity and employment conditions proving resilient, policymakers may have greater latitude to focus on inflation.

The principal question is whether higher oil prices will produce a temporary increase in headline inflation or generate broader and more persistent price pressures. A stronger-than-expected PPI or CPI report would reinforce expectations for tighter monetary policy and could place additional pressure on both equity valuations and bond prices.

The Final Word

Oil reclaimed the market's attention Wednesday. Strong earnings and economic resilience continued to support the longer-term investment outlook, but crude above $100 introduced a renewed threat to inflation, consumer spending, and monetary policy. For investors, the decisive issue is no longer simply how high oil rises—but how long it remains there.

Economic Update:

- **US Consumer Credit Outstanding MoM:** rose to 14.17 billion, up from -1.081 billion last month.

Eurozone Summary:

- **Stoxx 600:** closed at 640.41, down 9.19 points or 1.41%.
- **FTSE 100:** closed at 10,670.06, down 141.60 points or 1.31%.
- **DAX Index:** closed at 25,576.45, down 431.18 points or 1.66%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,380.66, down 405.41 points or 0.77%
- **S&P 500:** closed at 7,636.36, down 37.16 points or 0.48%
- **Nasdaq Composite:** closed at 26,253.34, down 168.07 points or 0.64%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,010.70, down 112.86 points or 2.20%
- **Birling Capital U.S. Bank Index:** closed at 10,479.61, down 101.16 points or 0.96%
- **U.S. Treasury 10-year note:** closed at 4.83%.
- **U.S. Treasury 2-year note:** closed at 4.43%.

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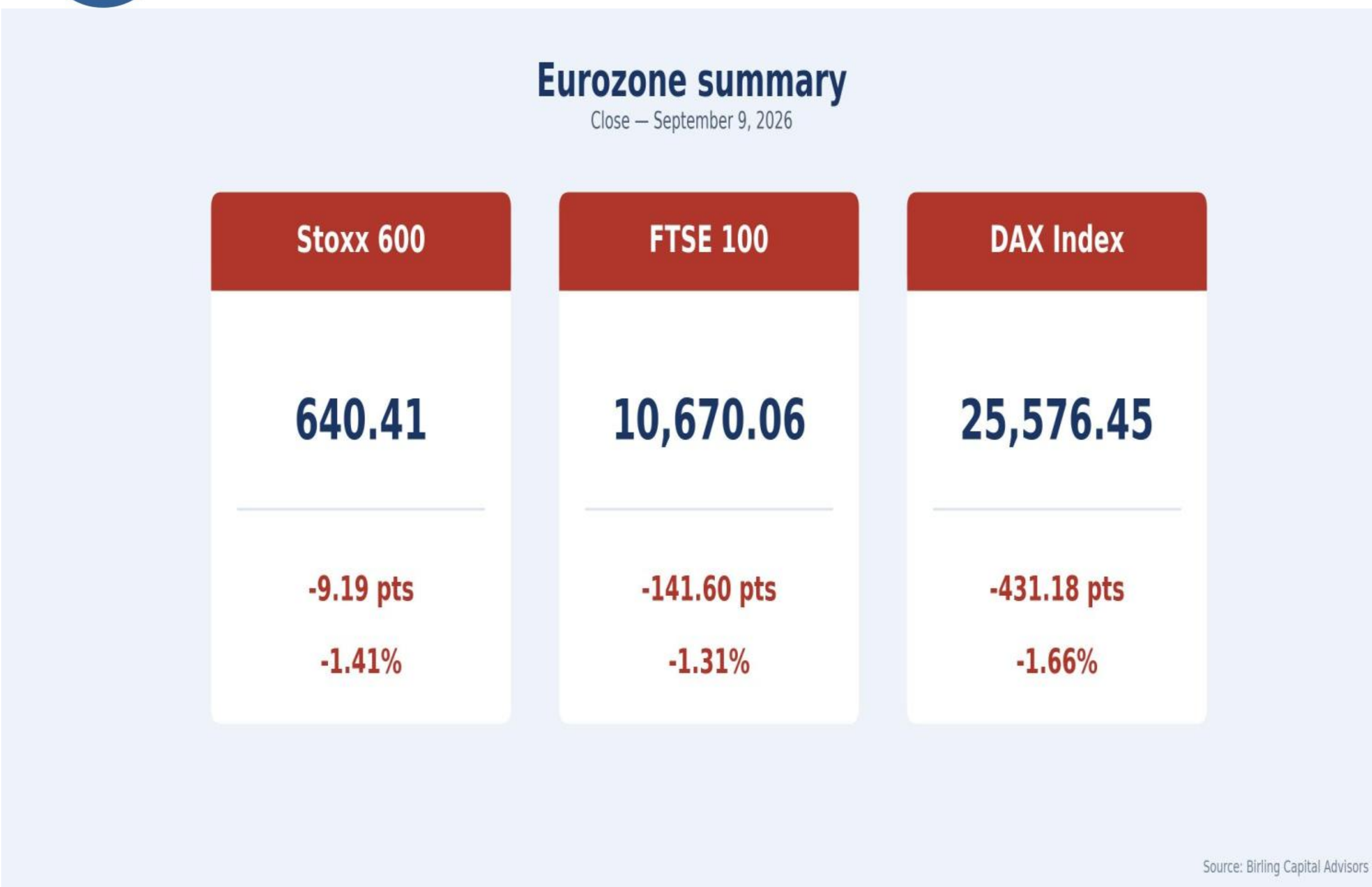
Eurozone summary
Close — September 9, 2026
Stoxx 600
640.41
-9.19 pts
-1.41%
FTSE 100
10,670.06
-141.60 pts
-1.31%
DAX Index
25,576.45
-431.18 pts
-1.66%
Source: Birling Capital Advisors

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Wall Street Summary

Market Close — September 9, 2026

Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital Puerto Rico Stock Index	Birling Capital U.S. Bank Index
52,380.66	7,636.36	26,253.34	5,010.70	10,479.61
-405.41 pts	-37.16 pts	-168.07 pts	-112.86 pts	-101.16 pts
(-0.77%)	(-0.48%)	(-0.64%)	(-2.20%)	(-0.96%)

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
4.83%	4.43%

10Y-2Y Spread: +0.40 pp

Birling Capital Advisors, LLC — Global Market Square


VAL
Dow Jones Industrial Average Level 52380.66
52380.66
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26 Sep '26
VAL
S&P 500 Level 7636.36
7636.36
7000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26 Sep '26
VAL
Nasdaq Composite Level 26253.34
26253.34
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26 Sep '26
VAL
Birling Capital Puerto Rico Stock Index Level 5010.70
5010.70
4000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26 Sep '26
VAL
Birling Capital U.S. Bank Index Level 10479.61
10479.61
9000.00
8000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26 Sep '26