

GLOBAL MARKET SQUARE



Strong Jobs Report Sparks Bond Yield Surge as Technology Rout Sends Nasdaq to Worst Day Since April 2025

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed sharply lower Friday as investors aggressively reduced exposure to technology and semiconductor stocks following a stronger-than-expected U.S. employment report and growing concerns that the Federal Reserve may delay interest-rate cuts. The combination of rising Treasury yields, profit-taking in artificial intelligence-related shares, and renewed pressure across the global semiconductor sector triggered the largest one-day decline for the Nasdaq Composite since April 2025.

While the May jobs report reinforced the underlying strength of the U.S. economy, markets interpreted the data as reducing the likelihood of near-term monetary easing. Treasury yields climbed sharply, with the benchmark 10-year Treasury yield rising to 4.55%, creating headwinds for growth-oriented sectors that have led to the market's advance throughout much of 2026. The resulting sell-off spread across global technology markets, from South Korea and Europe to Wall Street, as investors rotated toward more defensive sectors.

U.S. Markets

U.S. equities suffered their sharpest decline in months as a broad-based sell-off in technology and semiconductor shares overwhelmed otherwise positive economic news.

The Nasdaq Composite plunged 4.18% to close at 25,709.43, marking its largest one-day decline since the April 2025 tariff-driven sell-off. The S&P 500 fell 2.65% to 7,383.68, while the Dow Jones Industrial Average declined 695.15 points, or 1.35%, closing at 50,866.78, only one day after reaching a fresh record high.

The catalyst for the market reversal was a combination of rising interest rates and mounting pressure on semiconductor stocks. Investor sentiment toward artificial intelligence-related companies weakened following Broadcom's earnings report, which failed to deliver the level of upward guidance many investors had anticipated after the sector's extraordinary rally since April. The disappointment triggered widespread profit-taking across semiconductor and AI-related shares, accelerating an already developing rotation away from technology leadership.

At the same time, the Labor Department reported that the U.S. economy added 172,000 jobs in May, nearly double consensus expectations, while revisions added another 93,000 jobs to the prior two months. The unemployment rate remained at 4.3%, and wage growth moderated to 3.4%, suggesting labor-market strength without a significant acceleration in inflation pressures.

Despite the market's negative reaction, the employment report confirmed that the U.S. economy remains fundamentally resilient. The sharp decline in equities reflected not concerns about economic weakness, but rather the prospect that stronger growth could keep interest rates elevated for longer than investors previously expected. The result was a rapid repricing of Federal Reserve expectations, pushing Treasury yields higher and placing significant pressure on high-valuation technology shares that had driven much of the market's gains this year.

European Markets

European equities closed lower Friday as the global technology sell-off intensified following Broadcom's weaker-than-expected semiconductor outlook and a stronger-than-expected U.S. employment report that pushed Treasury yields higher and reduced expectations for Federal Reserve rate cuts.

The pan-European STOXX Europe 600 Index declined 0.3%, with technology shares leading the retreat. The U.K.'s FTSE 100 managed a modest gain of 0.1%, outperforming major continental markets, while equities in Frankfurt, Paris, and Milan all finished lower.

Technology stocks bore the brunt of the selling pressure as investors rotated away from artificial intelligence and semiconductor-related names. The STOXX Europe 600 Technology Index fell 2.8%, with shares of Infineon Technologies plunging 9.1%, while ASML Holding declined 2.4% and Nokia fell 5.9%.

The weakness mirrored a broader global retreat from semiconductor stocks. South Korea's KOSPI dropped 5.5%, led lower by Samsung Electronics and SK Hynix, highlighting growing investor caution toward AI-related equities after their powerful multi-month advance.

European investors also reacted to the stronger U.S. labor market report, which reinforced expectations that the Federal Reserve may keep interest rates higher for longer. While rising yields pressured growth-oriented sectors, financial and defensive stocks generally outperformed, reflecting a broader market rotation away from high-valuation technology shares and toward more economically resilient sectors.

Energy Markets

Energy prices moved lower on Friday despite continuing geopolitical tensions in the Middle East. Investors appeared increasingly optimistic that disruptions to global energy supplies may remain limited, reducing immediate concerns regarding inflationary pressures stemming from higher crude oil prices.

The decline in oil prices helped offset some concerns generated by the rise in Treasury yields. It supported broader expectations that inflation may continue to moderate gradually during the second half of the year.

Economic & Policy Outlook

The May employment report reinforces the view that the U.S. economy remains on solid footing, supported by healthy job creation, stable unemployment, and moderating wage growth. While these conditions are favorable for economic expansion, they also reduce the likelihood that the Federal Reserve will begin lowering interest rates in the near term.

Markets are increasingly pricing in a higher-for-longer interest-rate environment as policymakers continue to evaluate inflation trends, labor market conditions, and the potential impact of energy prices on future inflation readings. The Federal Reserve's meeting later this month is now expected to reinforce a patient, data-dependent approach.

The Final Word: Market Perspective

Friday's market pullback appears more reflective of shifting interest-rate expectations than of deteriorating economic fundamentals. The stronger labor market data confirm that economic growth remains resilient, even as investors adjust to the possibility that Federal Reserve rate cuts may be delayed.

The recent pause in technology and semiconductor stocks is encouragingly being accompanied by broader market participation from industrial, financial, consumer, and value-oriented sectors. This rotation suggests that the bull market is expanding rather than weakening. While higher Treasury yields may create near-term volatility, the combination of strong employment growth, moderating inflation, and broadening market leadership continues to support a constructive outlook for investors.

Economic Data:

- **US Nonfarm Payrolls MoM:** fell 172,000, down from 179,000 last month, decreasing -3.91%.
- **US Unemployment Rate:** is unchanged at 4.30%, compared to 4.30% last month.
- **US Labor Force Participation Rate:** is at 61.80%, compared to 61.80% last month.
- **US Consumer Credit Outstanding MoM:** rose to 24.86B, up from 8.845B last month, a change of 181.0%.
- **Canada Employment Net Change:** rose to 87,800, up from -17,700 last month.
- **Canada Unemployment Rate:** fell to 6.60%, compared to 6.90% last month.
- **Canada Labor Force Participation Rate:** is unchanged at 65.00%, compared to 65.00% last month.
- **Canada Ivey PMI:** rose to 61.30, up from 58.20 last month.

Eurozone Summary:

- **Stoxx 600:** closed at 622.66, down 1.79 points or 0.29%.
- **FTSE 100:** closed at 10,368.05, up 7.73 or 0.07%.
- **DAX Index:** closed at 24,759.05, down 185.90 points or 0.75%

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 50,866.78, down 695.15 points or 1.35%
- **S&P 500:** closed at 7,383.74, down 200.57 points or 2.64%.
- **Nasdaq Composite:** closed at 25,709.43, down 1,121.52 points or 4.18%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,311.03, up 104.31 points or 2.48%.
- **Birling Capital U.S. Bank Index:** closed at 9,895.85, up 370.05 points or 3.88%
- **U.S. Treasury 10-year note:** closed at 4.55%.
- **U.S. Treasury 2-year note:** closed at 4.17%.

U.S. Labor Market Dashboard

Nonfarm Payrolls — Monthly Change
January 2025 — May 2026 | Bureau of Labor Statistics



Unemployment Rate



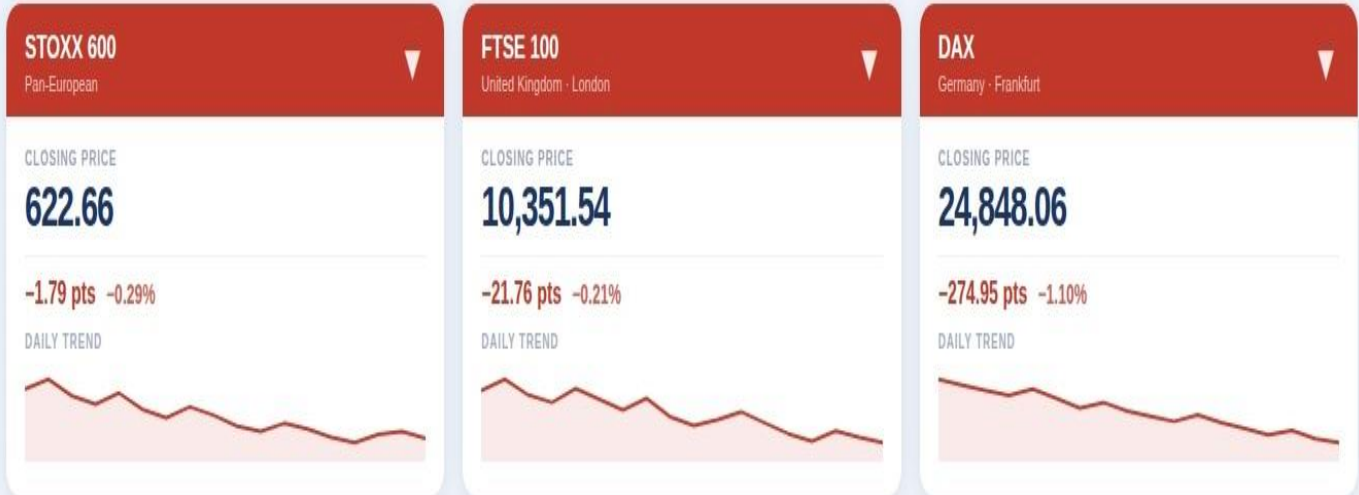
Labor Force Participation Rate



European Markets Close

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Major Indices — End-of-Session Summary



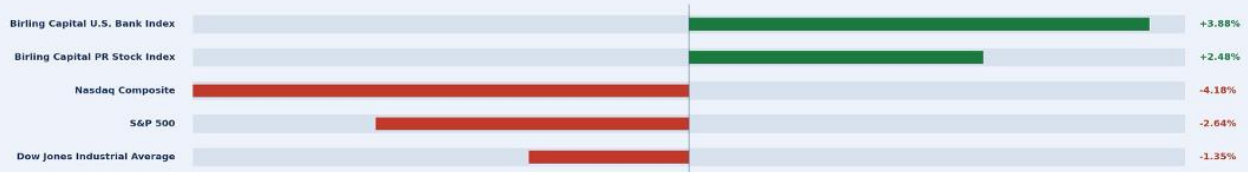
Sources: Yahoo Finance · Trading Economics

All figures at official market close · European session · June 5, 2026

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Wall Street and Birling Capital Indexes Close

Friday, June 5, 2026 · Market Close



Sources: Dow Jones, S&P Global, Nasdaq, U.S. Treasury, Birling Capital Advisors, LLC

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Wall Street Recap

June 5, 2026



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