S&P 500 Ends Little Changed as Oil Jumps on Iran Uncertainty and Chipmakers Weigh on Tech

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The U.S. and European stock markets began the week on a cautious note Monday, with the S&P 500 finishing essentially flat as growing doubts over a lasting U.S.-Iran resolution kept investors on edge. With second-quarter earnings season largely behind investors, attention has shifted toward inflation, Federal Reserve policy, and renewed geopolitical tensions in the Middle East.

Iran has indicated it is nearing a deal with Oman to reopen the Strait of Hormuz, but Tehran continues to resist direct negotiations with Washington until it says prior violations of the June memorandum of understanding are addressed. President Trump told Axios over the weekend that the U.S. was only partially engaging with Iran, aiming to keep economic pressure on the country. Oil prices jumped sharply on the uncertainty, with West Texas Intermediate crude settling up roughly 5.1% at $82.13 per barrel and Brent crude up about 5% at $87.72, while U.S. Strategic Petroleum Reserve stockpiles fell to their lowest level since 1983.

Within U.S. equities, chipmakers were the primary drag on the session. Intel fell 4% after announcing a $15 billion common stock offering, while Nvidia and Apple declined 2.9% and 1.5%, respectively. Despite Monday's pause, the major indexes are coming off their best week since April, with the S&P 500 having closed last week at an all-time record.

U.S. Markets

Wall Street closed little changed Monday as investors weighed renewed Iran-related uncertainty against a still-strong earnings backdrop. The S&P 500 slipped 0.06% to 7,753.11, the Nasdaq Composite declined 0.32% to 26,605.35, and the Dow Jones Industrial Average fell 60.95 points, or 0.11%, to close at 53,975.98.

Chipmakers led the market lower, with Intel's announced $15 billion stock offering weighing on sentiment and pulling Nvidia and Apple down alongside it. Energy shares found support as crude prices surged on Middle East uncertainty, helping offset broader technology-sector weakness. Investors continued to draw confidence from Friday's unexpected contraction in July nonfarm payrolls, which lifted hopes that the Federal Reserve will hold off on further rate increases. Fed funds futures now price in a roughly 52% probability of a September hike, down from about 67% a week earlier, according to the CME FedWatch tool. As one portfolio manager noted, market fatigue with the back-and-forth on Middle East tensions, combined with a strong earnings season, has helped contain volatility even as headlines stay noisy.

European Markets

European markets traded cautiously on Monday as investors balanced recent equity-market gains against renewed geopolitical tensions, higher oil prices, and the upcoming U.S. inflation data. On the day, the Stoxx 600 closed at 660.45, up 0.20 points or 0.03%; the FTSE 100 closed at 10,862.50, down 38.59 points or 0.35%; and the DAX Index closed at 26,323.88, up 4.43 points or 0.02%.

Energy shares benefited from the roughly 2% increase in crude oil prices, as renewed tensions in the Middle East added a geopolitical risk premium to global energy markets. At the same time, investors remained focused on whether higher energy costs could complicate the recent moderation inflation and influence the monetary-policy outlook on both sides of the Atlantic.

With second-quarter earnings season largely behind investors, European markets are increasingly taking their direction from macroeconomic developments, including inflation, interest rates, economic growth, and geopolitical risks. Attention this week will be particularly focused on U.S. CPI and PPI data, which could influence global bond yields and expectations for the Federal Reserve's next policy move.

Attention Turns from Earnings to Inflation

Corporate earnings have dominated investors' attention over the past several weeks, but the market focus is now shifting toward economic data and the Federal Reserve. With roughly 90% of S&P 500 companies having reported second-quarter results, earnings growth is tracking near 48%, more than double the approximately 24% expected at the beginning of earnings season. The strength of corporate profitability has been one of the principal forces supporting equity valuations and driving the major indexes to record territory.

This week, however, inflation will take center stage. Friday's weaker-than-expected employment report reduced expectations for another Federal Reserve rate increase in September, with markets now assigning less than a 50% probability to a hike. The upcoming Consumer Price Index and Producer Price Index reports could materially influence those expectations.

The Inflation Nowcasting calls for headline CPI inflation to ease to 3.42% year-over-year in July from 3.5% in June, while core CPI is expected to moderate to 2.52% from 2.6%, potentially reaching its lowest level since February. If inflation continues to move gradually lower while labor-market conditions soften, the Federal Reserve will have greater flexibility to maintain its current policy stance rather than tighten further.

Energy Markets

Oil prices jumped sharply Monday as uncertainty over a lasting U.S.-Iran resolution intensified. WTI crude settled up roughly 5.1% at $82.13 per barrel, while international benchmark Brent crude settled up about 5% at $87.72. Iran has signaled it is nearing a deal with Oman to reopen the Strait of Hormuz, but Tehran continues to resist direct negotiations with Washington, and President Trump said over the weekend that the U.S. was only partially engaging with Iran in order to keep economic pressure on the country.

Adding to the tightness, U.S. Strategic Petroleum Reserve stockpiles have fallen to their lowest level since 1983, leaving less of a buffer against further supply disruptions. Renewed threats to regional energy infrastructure could increase volatility and rebuild the geopolitical risk premium embedded in crude prices. Higher oil prices also represent an important variable for the inflation outlook, particularly as investors prepare for this week's CPI and PPI reports.

Economic & Policy Outlook

The transition from earnings season to inflation data represents an important shift in the market narrative. Corporate America has delivered exceptionally strong second-quarter results, providing fundamental support for equity markets. The next question is whether inflation can continue moderating sufficiently to prevent additional monetary tightening.

Investors will therefore closely scrutinize this week's CPI and PPI reports for evidence that price pressures are continuing to ease. A favorable inflation trend, combined with softer employment growth, could strengthen the case for the Federal Reserve to remain on hold. Conversely, an upside inflation surprise could quickly revive concerns that monetary policy will need to remain restrictive for longer.

The combination of higher oil prices and renewed geopolitical uncertainty adds another dimension to the outlook. A sustained increase in energy prices could slow progress on inflation, while diplomatic progress in the Middle East could remove part of the geopolitical premium currently supporting crude prices.

The Final Word: Should Investors Fear All-Time Highs?

Record highs frequently create an understandable question for investors: Is it too late to invest? History suggests that an all-time high, by itself, has not been a reliable signal that markets are about to decline. While short-term pullbacks can occur at any point, longer-term returns following record highs have historically remained attractive. Over one-, three-, and five-year periods, average market returns following new highs have often exceeded those following an average trading day.

There is an important reason: markets typically reach record highs because earnings, economic conditions, liquidity, or investor expectations are improving. New highs can therefore confirm an ongoing expansion rather than evidence that one is ending.

The more important consideration is not whether the market is at a record high, but whether valuations, earnings growth, economic fundamentals, and portfolio risk remain aligned. In the current environment, strong corporate earnings continue to provide meaningful support. Still, elevated valuations, geopolitical uncertainty, inflation risks, and the direction of Federal Reserve policy argue for maintaining diversification and avoiding excessive concentration in any single investment theme.

For long-term investors, history continues to reinforce a simple principle: time in the market has generally mattered more than attempting to identify the perfect entry point.

Inflation Nowcasting for July 2026:

- **CPI:** 3.42%
- **Core CPI:** 2.52%
- **PCE:** 3.69%
- **Core PCE:** 3.31%

Eurozone Summary:

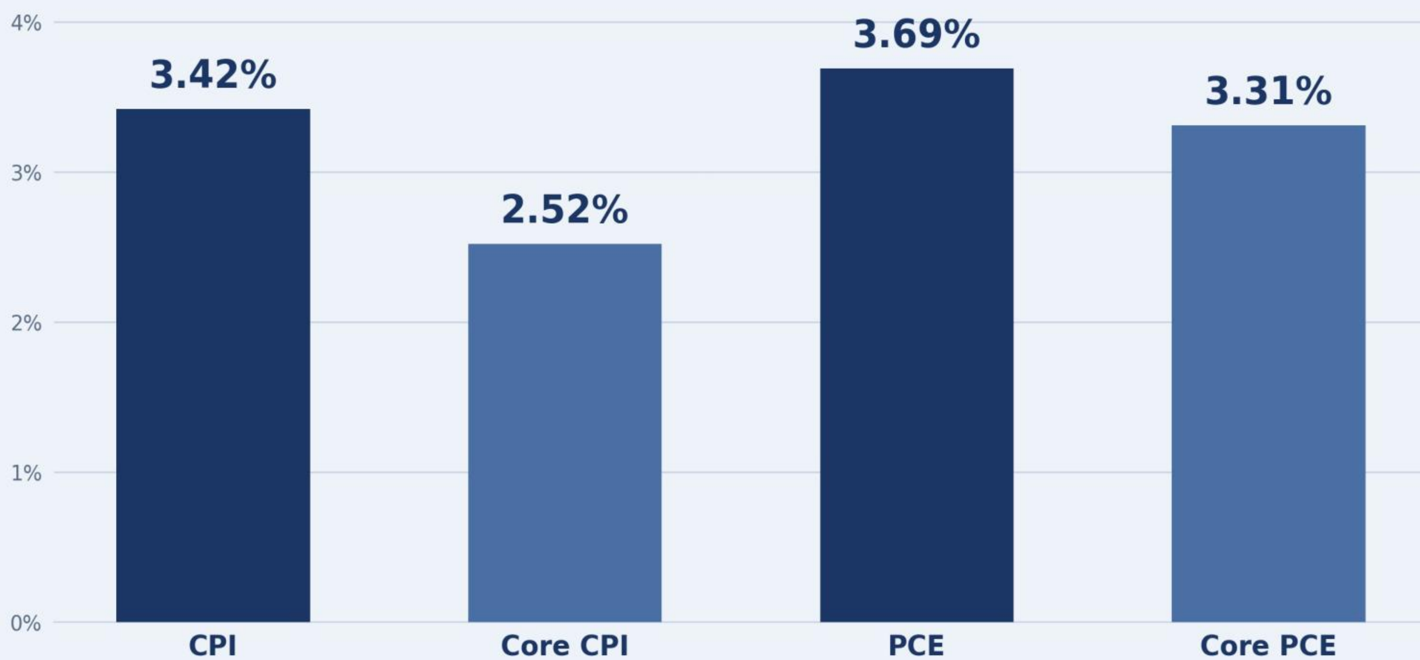
- **Stoxx 600:** closed at 660.45, up 0.20 points or 0.03%.
- **FTSE 100:** closed at 10,862.50, down 38.59 points or 0.35%.
- **DAX Index:** closed at 26,323.88, up 4.43 points or 0.02%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,975.98, down 60.95 points or 0.11%
- **S&P 500:** closed at 7,753.11, down 4.53 points or 0.06%
- **Nasdaq Composite:** closed at 26,605.35, down 85.25 points or 0.32%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,103.49, down 87.73 points or 1.69%
- **Birling Capital U.S. Bank Index:** closed at 10,471.84, up 61.86 points or 0.59%
- **U.S. Treasury 10-year note:** closed at 4.72%.
- **U.S. Treasury 2-year note:** closed at 4.25%.

July 2026 inflation nowcast

CPI, core CPI, PCE and core PCE — year-over-year percent change



Source: Birling Capital Advisors, LLC

Updated: 08/10/2026

Eurozone summary

Closing prices — Monday, August 10, 2026

Stoxx 600	FTSE 100	DAX Index
660.25	10,901.09	26,319.45
▲ +2.06 (+0.31%)	▲ +30.20 (+0.31%)	▲ +179.32 (+0.69%)

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Wall Street and Birling Capital Indexes Close

August 10, 2026

	Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital Puerto Rico Stock Index	Birling Capital U.S. Bank Index
Closing price	53,975.98	7,753.11	26,605.35	5,103.49	10,471.84
	▼ -60.95	▼ -4.53	▼ -85.25	▼ -87.73	▲ +61.86
	-0.11%	-0.06%	-0.32%	-1.69%	+0.59%

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
4.72%	4.25%

Yield spread (10Y - 2Y): +47 bps

Source: Bloomberg, Birling Capital Advisors

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Wall Street Recap
August 10, 2026