Wall Street Sets Fresh Record as Cooling Inflation and Falling Oil Prices Lift Sentiment

August 13, 2026

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The U.S. and European stock markets closed mixed Thursday even as investors welcomed another encouraging inflation report, reinforcing expectations that price pressures are gradually moderating without materially undermining economic growth. The S&P 500 reached another all-time high, topping 7,800 for the first time, extending a rally supported by resilient corporate earnings, steady consumer activity, and growing confidence that the Federal Reserve may keep interest rates unchanged in September.

U.S. Markets

Wall Street advanced Thursday, with the S&P 500 closing at a record 7,798.99, up 0.65% and surpassing 7,800 for the first time. The Nasdaq Composite gained 0.81% to close at 26,803.03, lifted by strength in Meta Platforms, Micron Technology, and Netflix. The Dow Jones Industrial Average added 69.72 points, or 0.13%, to close at 53,839.99.

A second consecutive soft inflation reading reinforced the rally. July's producer price index came in flat month-over-month, well below the 0.2% increase economists had expected, while core PPI rose 0.2%, just under the 0.3% forecast. The report followed Wednesday's in-line consumer price index, which showed prices rising 0.1% month-over-month, matching expectations. Together, the two readings led traders to pare back expectations for a September rate increase.

Oil prices added to the constructive tone. Brent crude fell more than 2% to settle at $87.07 per barrel, while West Texas Intermediate slid a similar margin to $81.25, as traders weighed softening demand against the ongoing U.S.-Iran conflict.

Market strategists noted that the current inflation trajectory has done little to disrupt what remains fundamentally an earnings-driven advance. Attention is increasingly turning to how incoming Fed Chair Kevin Warsh will interpret softening data and whether that shifts the central bank's posture heading into September.

Not every name participated in the advance. Cisco Systems dropped more than 8% despite topping revenue and earnings estimates, as investors focused on the outlook. Cerebras and Coherent also declined following their own earnings updates, falling roughly 12% and 8%, respectively.

European Markets

European equities closed lower Thursday, giving background even as the broader tone around global inflation and the trajectory of U.S. Treasury yields remained constructive. The three indexes we follow closed lower: Stoxx 600, down 0.24 points; FTSE 100, down 60.48 points; and DAX Index, down 31.33 points. Performance varied only modestly across the region, with the broad Stoxx 600 essentially flat while UK equities bore the brunt of the session's selling.

The moderation in U.S. inflation remains relevant for European markets, as reduced expectations of further Federal Reserve tightening could still ease pressure on global financial conditions over time. Thursday's pullback suggests investors are also weighing near-term profit-taking and regional catalysts against that backdrop. Investors will continue monitoring economic growth, inflation trends, and the outlook for European Central Bank monetary policy as the region navigates a still-challenging economic environment.

Energy Markets

Oil prices moved lower Thursday as softening demand expectations weighed on crude even as geopolitical risk tied to the Strait of Hormuz standoff persisted. WTI crude fell to $81.25 per barrel, down more than 2% on the day, while Brent crude fell to $87.07 per barrel, also down more than 2%. Recent volatility in crude markets has remained elevated as investors balance supply considerations, geopolitical developments, and expectations for global economic growth.

Lower energy prices would represent an important counterweight to broader inflationary pressures. If sustained, weaker crude prices could help moderate headline inflation and provide the Federal Reserve with additional flexibility. However, geopolitical developments can rapidly reverse the direction of energy markets, keeping crude oil an important variable in the inflation and monetary policy outlook.

Energy Summary

- WTI Crude: $81.25/bbl, down 2.1%
- Brent Crude: $87.07/bbl, down 2.0%

Economic & Policy Outlook

Producer Inflation Moves in the Right Direction

July's Producer Price Index provided another indication that upstream inflationary pressures are beginning to moderate. Headline PPI increased 4.7% year-over-year, below expectations of 4.9% and substantially below the previous month's 5.5% reading.

Core PPI, which excludes food and energy, rose 4.2% year-over-year. Although slightly above expectations of 4.1%, it was still an improvement from the prior month's 4.7% increase.

The moderation is significant because producer prices capture costs earlier in the supply chain. Less pressure from materials, transportation, and other production inputs can eventually reduce the degree to which businesses need to pass higher costs on to consumers.

Still, inflation remains above levels consistent with the Federal Reserve's longer-term objective. One favorable month does not settle the debate over monetary policy. Investors will receive another round of inflation and employment data before the September FOMC meeting, making those releases critical in determining whether policymakers remain on hold or conclude that another rate increase is necessary.

Investing at Record Highs: History Favors Discipline Over Market Timing

Record highs naturally create hesitation among investors. The instinct is often to wait for a correction before committing additional capital. Yet, history suggests that reaching an all-time high has not, by itself, been a reliable signal of an approaching major decline.

Over shorter periods, returns following record highs can be more volatile. Over longer horizons, however, the difference between investing at an all-time high and investing on an average trading day has historically diminished considerably. In fact, record highs frequently occur when earnings, economic conditions, liquidity, or investor expectations improve.

The more relevant question is therefore not whether today's market represents the perfect entry point, but whether an investor's asset allocation, investment horizon, liquidity requirements, and tolerance for volatility remain appropriately aligned.

For long-term investors, disciplined participation and time in the market have historically mattered more than attempting to identify the perfect moment to invest.

The Final Word

Cooling inflation is giving the bull market additional oxygen. With the S&P 500 reaching another record, Treasury yields moving lower, and both consumer and producer inflation showing signs of moderation, investors are confronting a more favorable combination of economic growth, earnings, and inflation than many anticipated.

The next test is whether inflation can continue moving lower without a meaningful deterioration in employment, consumer spending, or corporate profitability. If that balance holds, today's record highs may ultimately prove less a warning of excess than a reflection of improving fundamentals.

For investors, the message remains straightforward: **new highs do not necessarily signal the end of a rally; they are often part of the process through which long-term wealth is created.**

Economic Update:

- **US Initial Claims for Unemployment Insurance:** rose to 209,000, up from 200,000 last week, a change of 4.50%.
- **US Producer Price Index YoY:** fell to 4.70%, compared to 5.50% last month.
- **US Core Producer Price Index YoY:** fell to 4.20%, compared to 4.70% last month.
- **30-Year Mortgage Rate:** fell to 6.67%, compared to 6.69% last week.

Eurozone Summary:

- **Stoxx 600:** closed at 659.24, down 0.24 points or 0.04%.
- **FTSE 100:** closed at 10,772.67, down 60.48 points or 0.56%.
- **DAX Index:** closed at 26,299.74, down 31.33 points or 0.12%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,839.99, up 69.72 points or 0.13%
- **S&P 500:** closed at 7,798.99, up 50.49 points or 0.65%
- **Nasdaq Composite:** closed at 26,803.02, up 214.53 points or 0.81%.
- **Birling Capital Puerto Rico Stock Index:** closed at 5,180.43, up 58.25 points or 1.14%
- **Birling Capital U.S. Bank Index:** closed at 10,627.85, up 116.13 points or 1.10%
- **U.S. Treasury 10-year note:** closed at 4.63%.
- **U.S. Treasury 2-year note:** closed at 4.15%.

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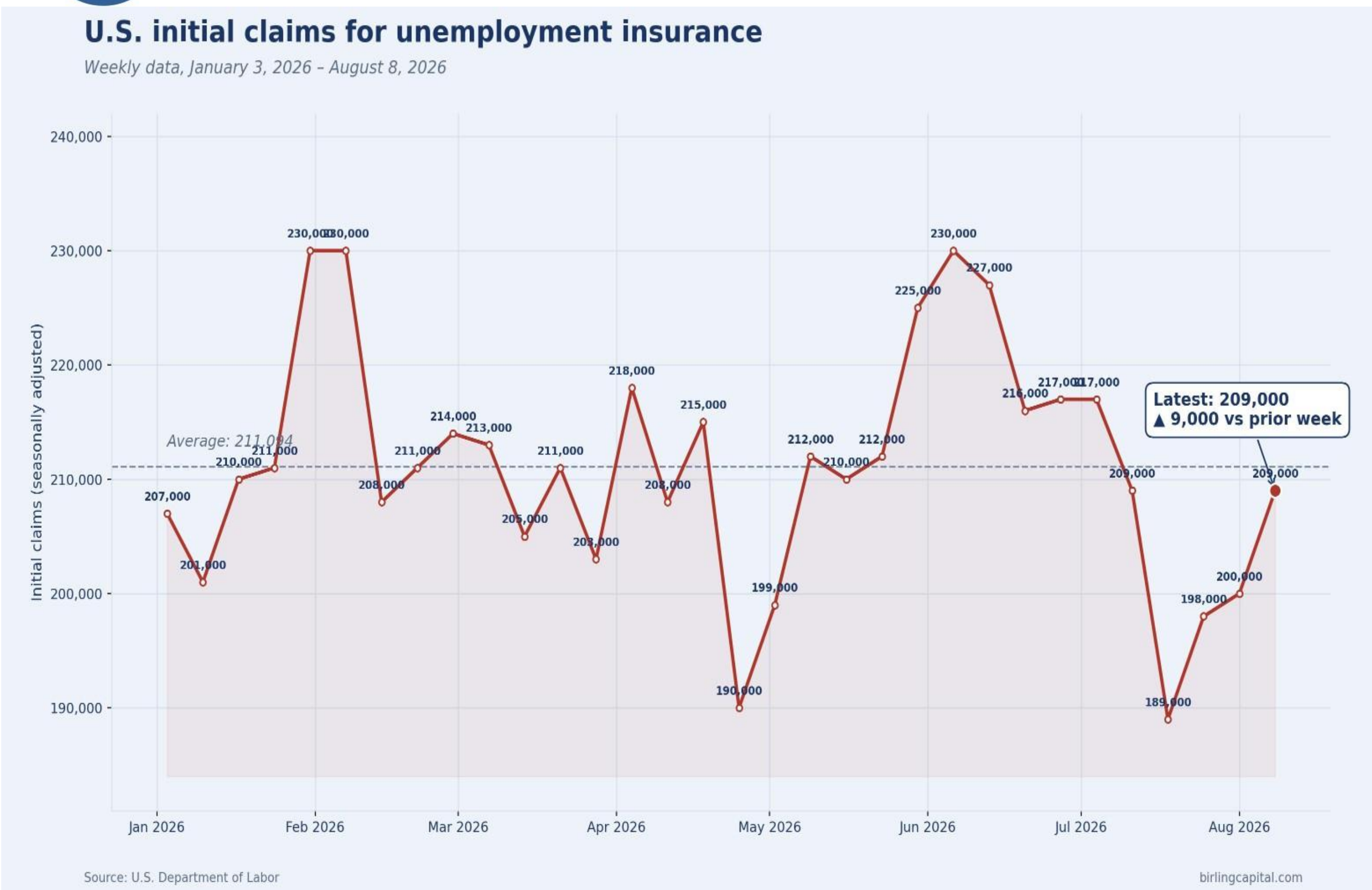

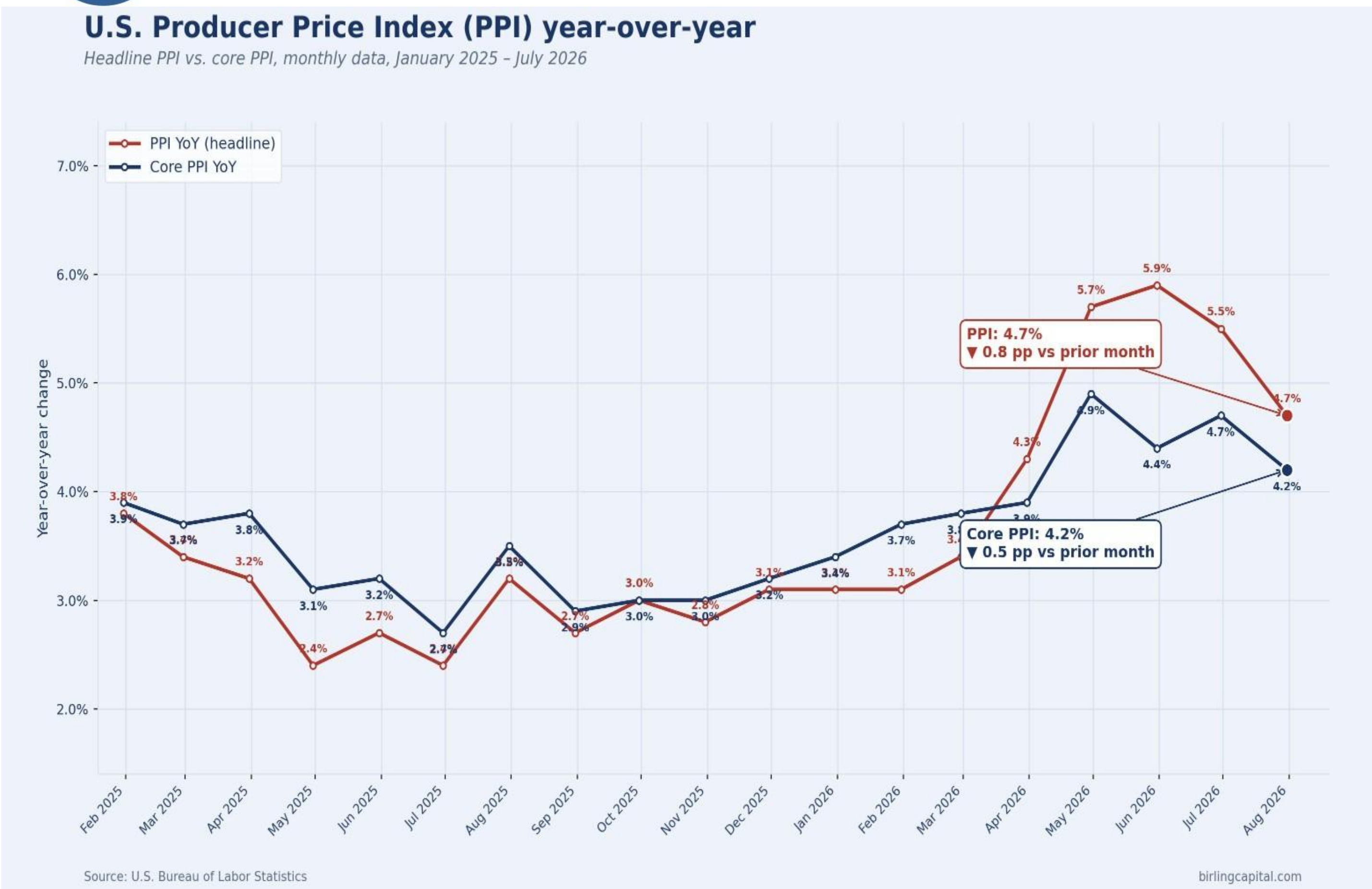
U.S. Producer Price Index (PPI) year-over-year
Headline PPI vs. core PPI, monthly data, January 2025 – July 2026
PPI YoY (headline)
Core PPI YoY
Year-over-year change
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
PPI: 4.7%
▼ 0.8 pp vs prior month
Core PPI: 4.2%
▼ 0.5 pp vs prior month
Feb 2025
Mar 2025
Apr 2025
May 2025
Jun 2025
Jul 2025
Aug 2025
Sep 2025
Oct 2025
Nov 2025
Dec 2025
Jan 2026
Feb 2026
Mar 2026
Apr 2026
May 2026
Jun 2026
Jul 2026
Aug 2026
Source: U.S. Bureau of Labor Statistics
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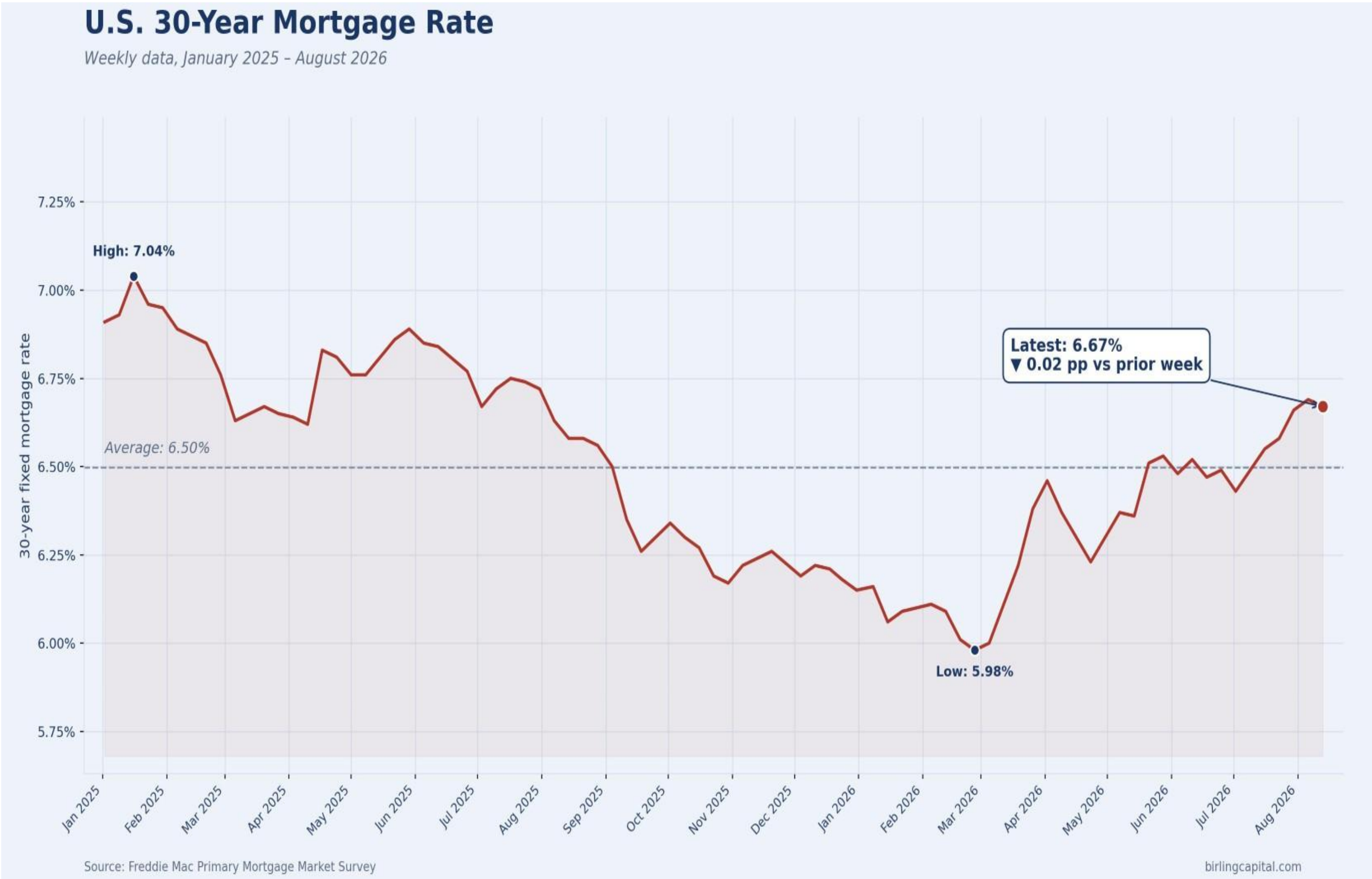
U.S. 30-Year Mortgage Rate
Weekly data, January 2025 – August 2026
High: 7.04%
Latest: 6.67%
▼ 0.02 pp vs prior week
Average: 6.50%
Low: 5.98%
30-year fixed mortgage rate
7.25%
7.00%
6.75%
6.50%
6.25%
6.00%
5.75%
Jan 2025
Feb 2025
Mar 2025
Apr 2025
May 2025
Jun 2025
Jul 2025
Aug 2025
Sep 2025
Oct 2025
Nov 2025
Dec 2025
Jan 2026
Feb 2026
Mar 2026
Apr 2026
May 2026
Jun 2026
Jul 2026
Aug 2026
Source: Freddie Mac Primary Mortgage Market Survey
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European markets close

August 13, 2026

Stoxx 600	FTSE 100	DAX Index
659.24	**10,772.67**	**26,299.74**
Closing price	*Closing price*	*Closing price*
▼ 0.24 pts	▼ 60.48 pts	▼ 31.33 pts
▼ 0.04%	▼ 0.56%	▼ 0.12%

Source: Birling Capital

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Wall Street and Birling Capital Indexes Close

Thursday, August 13, 2026

Index	Closing Price	Change	% Change
Dow Jones Industrial Average	53,839.99	▲ +69.72	+0.13%
S&P 500	7,798.99	▲ +50.49	+0.65%
Nasdaq Composite	26,803.02	▲ +214.53	+0.81%
Birling Capital PR Stock Index	5,180.43	▲ +58.25	+1.14%
Birling Capital U.S. Bank Index	10,625.85	▲ +116.13	+1.10%

U.S. Treasury 10-Year Note	Spread	U.S. Treasury 2-Year Note
4.63%	0.48%	4.15%

Source: Birling Capital Advisors

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VAL
Dow Jones Industrial Average Level 53839.99
53839.99
51000.00
48000.00
45000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
S&P 500 Level 7798.99
7798.99
7200.00
6600.00
6000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
Nasdaq Composite Level 26803.03
26803.03
22500.00
20000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
Birling Capital Puerto Rico Stock Index Level 5180.43
5400.00
5180.43
4200.00
3600.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
Birling Capital U.S. Bank Index Level 10627.85
10627.85
9600.00
8400.00
7200.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26