GLOBAL MARKET SQUARE
BIRLING CAPITAL ADVISORS, LLC

Wall Street Closes Higher as Treasury Yields Retreat, Chip Stocks Rally Ahead of Nvidia Earnings

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The U.S. and European stock markets closed higher Tuesday as Treasury yields fell for a second consecutive day and a rally in semiconductor stocks lifted the Nasdaq Composite. The S&P 500 added 0.3%, the Nasdaq Composite gained 0.7%, and the Dow Jones Industrial Average rose about 160 points, or 0.3%, marking its third consecutive day of gains. Asian markets also finished mostly higher overnight, reinforcing the positive global tone.

U.S. Markets

Wall Street closed higher Tuesday, with the S&P 500 posting a modest gain and the Dow extending its win streak to three sessions. The 10-year Treasury yield fell to 4.637%, continuing Monday's decline after reporting that the Treasury Department could tap its $1 trillion General Account to fund bond repurchases. Oil prices dropped more than 3% on the session.

Chip stocks led the advance ahead of Nvidia's results, due after Wednesday's close. Nvidia shares rose about 2%, putting the stock on track to snap a seven-day losing streak, while Advanced Micro Devices and Micron Technology gained 4% and 2%, respectively.

Consumer names were a notable drag on the market. Dick's Sporting Goods plunged more than 29% after disappointing results, putting it on pace for its worst trading day on record, while Walmart and Target fell 1% and 4%, respectively.

Sentiment was also weighed down by a weaker-than-expected consumer confidence reading and an escalating U.S.-Canada trade dispute. The Conference Board's Consumer Confidence Index slipped to 89.4, below the consensus estimate of 90.2, with expectations for the months ahead showing particular weakness. Canada announced retaliatory tariffs Tuesday, matching the 50% levies imposed by the Trump administration over the weekend on a dollar-for-dollar basis.

Most corporate earnings conference calls have continued to describe a resilient consumer, and that markets can look past a bad mood but not a consumer who actually stops spending. The GDP and PCE inflation data this Wednesday will offer the good read on the economy.

Investors now turn to Wednesday's July PCE inflation report, followed by Fed Chair Kevin Warsh's Friday address at the Jackson Hole symposium — a potential market-moving catalyst that follows last week's Treasury plan to double the size of its long-dated bond repurchase program.

Employment Data Shows Firmer Job Growth

Private-sector employment showed additional signs of stabilization. According to ADP, U.S. private employers added an average of 11,750 jobs per week during the four weeks ending August 8, improving from 9,500 per week in the previous report.

It marked the second consecutive report showing improvement following the deterioration from the recent May peak. While additional data will be necessary to determine whether hiring has entered a sustained recovery, the latest figures suggest that labor-market conditions may be stabilizing.

The broader labor market also remains relatively balanced. The unemployment rate stands at 4.1%, while approximately 7.4 million job openings continue to exceed the roughly 6.9 million unemployed workers. The relationship suggests that labor demand remains healthy even as the pace of hiring has moderated.

Continued employment and wage growth remain critical to the economic outlook because they support household income, consumer spending, and ultimately overall economic growth. For now, the labor market continues to provide an important buffer against broader economic uncertainty.

Consumer Confidence Falls as Expectations Deteriorate

Consumer sentiment presented a less encouraging picture. The Conference Board's Consumer Confidence Index declined for a second consecutive month in August, falling to 89.4 and coming in below the consensus estimate of 90.2.

The underlying components revealed a notable divergence. Consumers' assessment of current business and labor-market conditions improved by 6.8 points, reversing three consecutive months of deterioration. However, expectations for income, business conditions, and employment over the next six months fell by 5.8 points.

Consumers continued to identify prices and inflation, geopolitical tensions, trade uncertainty, and employment as significant concerns. The divergence between stronger assessments of present conditions and weaker expectations suggests that households remain reasonably comfortable with their current circumstances but are becoming increasingly cautious about what lies ahead.

Should that deterioration in expectations persist, it could eventually weigh on discretionary spending. However, a relatively balanced labor market, continued wage growth, and further progress on inflation could help stabilize confidence during the coming months.

European Markets

European stock markets advanced Tuesday, participating in the broader improvement in global risk sentiment as U.S. Treasury yields declined and energy prices softened.

Lower bond yields provided support to growth-oriented and interest-rate-sensitive shares, while declining oil prices offered some relief to businesses facing elevated energy and transportation costs. Investors also continued to assess the outlook for global monetary policy, economic growth, trade tensions, and geopolitical developments.

The softer U.S. dollar provided another supportive element for global financial conditions as investors awaited additional signals from central bankers and upcoming U.S. inflation data. The three indexes we follow closed higher: Stoxx 600, up 2.27 points; FTSE 100, up 31.84 points; and DAX Index, up 159.59 points.

Energy Markets

Energy markets moved lower Tuesday morning, with WTI crude retreating toward $82 per barrel. The decline followed reports that the United States planned to return diplomats to the Middle East, creating some optimism that renewed diplomatic engagement could reduce geopolitical tensions.

The pullback in crude prices provided some relief to broader markets after oil's recent advance had renewed concerns about inflation and its potential impact on monetary policy.

Energy stocks consequently underperformed the broader market. Investors remained focused on developments in the Middle East, global supply conditions, and any indication that geopolitical risks could disrupt production or transportation routes.

Economic & Policy Outlook

Tuesday's economic data highlighted the increasingly nuanced outlook confronting investors and policymakers.

On one side, private-sector hiring showed signs of improvement, unemployment remained relatively low, and job openings continued to exceed the number of unemployed workers. Those conditions support household income and consumption and reduce the immediate probability of a significant economic downturn.

On the other side, declining consumer expectations demonstrate that households remain concerned about inflation, trade policy, geopolitical instability, and future employment conditions.

The bond market remains a critical transmission mechanism for these competing forces. The retreat in

the 10-year Treasury yield to approximately 4.66% has provided near-term relief to equities, but yields remain elevated enough to keep financial conditions restrictive.
Attention now turns increasingly toward NVIDIA earnings, the July PCE inflation report, and Federal Reserve Chair Kevin Warsh's Jackson Hole address. Together, these events could materially influence expectations for interest rates, bond yields, and equity valuations heading into September.

The Final Word

Tuesday's early advance offered investors some welcome relief as Treasury yields and oil prices moved lower, while improving private-sector employment data reinforced the economy's underlying resilience. Yet the second consecutive decline in consumer confidence serves as an important warning that households are becoming more cautious about the road ahead.
For markets, the equation remains straightforward: lower yields, moderating inflation, resilient employment, and sustained earnings growth would provide the strongest foundation for the bull market to continue. With NVIDIA earnings, PCE inflation, and Jackson Hole directly ahead, the next several days could determine whether Tuesday's improved tone develops into something more durable.

Economic Update:

- **U.S. retail gas price:** rose to $4.182, up from $4.141 last week, a change of 0.99%.
- **US New Single-Family Houses Sold:** rose to 628,000, up from 618,000 last month, a change of 1.62%.
- **Case-Shiller Composite 20 Home Price Index YoY:** rose to 1.62%, compared to 1.18% last month.
- **Case-Shiller Home Price Index: National:** fell to 331.02, down from 331.17 last month.
- **Richmond Fed Manufacturing Index:** fell to 4.000, down from 5.000 last month, a change of -20.00%.

Eurozone Summary:

- **Stoxx 600:** closed at 656.48, up 2.27 points or 0.35%.
- **FTSE 100:** closed at 10,886.16, up 31.84 points or 0.29%.
- **DAX Index:** closed at 26,266.14, up 159.59 points or 0.61%

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,577.40, up 160.24 points or 0.35%
- **S&P 500:** closed at 7,677.28, up 24.42 points or 0.32%
- **Nasdaq Composite:** closed at 26,151.30, up 171.80 points or 0.66%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,028.47, down 27.37 points or 0.54%
- **Birling Capital U.S. Bank Index:** closed at 10,326.41, up 53.45 points or 0.52%
- **U.S. Treasury 10-year note:** closed at 4.64%
- **U.S. Treasury 2-year note:** closed at 4.17%

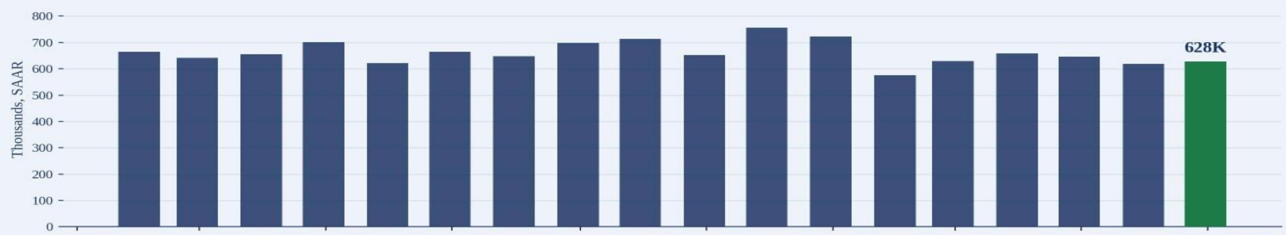

U.S. retail gasoline price
Weekly average price per gallon, all grades, all formulations
High: $4.628
$4.182
Low: $2.907
$4.50
$4.25
$4.00
$3.75
$3.50
$3.25
$3.00
$2.75
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Source: EIA weekly retail gasoline prices | Birling Capital Advisors, LLC


Richmond Fed manufacturing index
Monthly composite manufacturing activity index, Fifth Federal Reserve District
Diffusion index
10
5
0
-5
−10
−15
High: +9
+4
Low: -17
Jan '25
Mar '25
May '25
Jul '25
Sep '25
Nov '25
Jan '26
Mar '26
May '26
Jul '26
Sep '26
Source: Federal Reserve Bank of Richmond | Birling Capital Advisors, LLC

U.S. housing market snapshot

New home sales, home price appreciation, and price levels — January 2025 to latest

New single-family houses sold



Case-Shiller Composite-20 YoY change and National Home Price Index

Source: U.S. Census Bureau (New Home Sales); S&P CoreLogic Case-Shiller Home Price Indices | Birling Capital Advisors, LLC

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European Markets Close

Tuesday, August 26, 2026

Stoxx 600	FTSE 100	DAX Index
Closing Price	Closing Price	Closing Price
656.48	10,886.16	26,266.14
▲ +2.27 pts	▲ +31.84 pts	▲ +159.59 pts
+0.35%	+0.29%	+0.61%

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Wall Street and Birling Capital Indexes Close

Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital PR Stock Index	Birling Capital U.S. Bank Index
53,577.40	7,677.28	26,151.30	5,028.47	10,326.41
+160.24	+24.42	+171.80	-27.37	+53.45
(+0.35%)	(+0.32%)	(+0.66%)	(-0.54%)	(+0.52%)

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
4.64%	4.17%

10-Year / 2-Year Treasury Spread: 0.47%

Source: Bloomberg, Birling Capital

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VAL
Dow Jones Industrial Average Level 53577.40
53577.40
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 7677.28
7677.28
6600.00
6000.00
VAL
Nasdaq Composite Level 26151.30
27500.00
26151.30
22500.00
20000.00
VAL
Birling Capital Puerto Rico Stock Index Level 5028.47
5400.00
5028.47
4200.00
3600.00
VAL
Birling Capital U.S. Bank Index Level 10326.41
10800.00
10326.41
8400.00
7200.00