AI Earnings Power Wall Street Higher as NVIDIA, Salesforce, and CrowdStrike Reinforce the Technology Bull Case

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The U.S. and European stock markets traded mixed Thursday, with Wall Street moving higher as exceptional earnings from NVIDIA, Salesforce, and CrowdStrike reignited enthusiasm across technology and artificial intelligence-related shares. The Nasdaq led the advance, followed by the S&P 500, as investors interpreted the latest corporate results as further evidence that the massive investment cycle in AI infrastructure remains firmly intact.

The rally came despite Treasury yields remaining elevated, with the 10-year U.S. Treasury yield near 4.67%, as investors continued to balance robust corporate earnings against persistent inflation and the prospect that the Federal Reserve could maintain a restrictive monetary stance. Initial unemployment claims declined to 203,000, reinforcing the view that layoffs remain limited and the labor market continues to demonstrate resilience.

International markets were more subdued, while crude oil prices advanced amid developments in the Strait of Hormuz. Investor attention now shifts toward Federal Reserve Chair Kevin Warsh's Jackson Hole address, which could provide important guidance regarding the direction of monetary policy through the remainder of 2026 and into 2027.

U.S. Markets

Wall Street closed higher Thursday, led decisively by technology stocks following another extraordinary earnings report from NVIDIA. The Dow Jones Industrial Average closed at 53,569.44, up 105.56 points, or 0.20%. The S&P 500 closed at 7,730.99, up 55.29 points, or 0.72%. The Nasdaq Composite closed at 26,541.35, up 44.15 points, or 1.57%.

NVIDIA shares surged more than 6% as investors responded to stronger-than-expected quarterly results and an exceptionally bullish outlook for AI-related demand. NVIDIA reported fiscal second-quarter revenue of $96.22 billion, up 106% from a year earlier and comfortably above expectations near $92.3 billion. Adjusted earnings reached $2.22 per share versus expectations of approximately $2.09. Data Center revenue surged 117% year-over-year to $89 billion, demonstrating that spending on AI computing infrastructure continues at an extraordinary pace.

Perhaps more important for markets was NVIDIA's outlook. The company expects third-quarter revenue of approximately $108 billion and projected revenue growth of roughly 70% for its next fiscal year, substantially reinforcing expectations that the global AI infrastructure investment cycle has considerable runway remaining.

The technology rally extended well beyond semiconductors. Salesforce shares jumped after the company reported second-quarter revenue of $11.3 billion, an 11% year-over-year increase, and raised its full-year revenue outlook to between $46.1 billion and $46.4 billion. Particularly notable was the rapid expansion of its AI businesses, with annual recurring revenue from Agentforce and Data 360 approaching $3.9 billion, up more than 210% from a year ago.

CrowdStrike also rallied sharply after reporting record second-quarter results. Revenue increased 26% to $1.47 billion, while annual recurring revenue reached $5.84 billion, and the company raised its outlook as demand for cybersecurity solutions continued to accelerate.

Taken together, NVIDIA, Salesforce, and CrowdStrike provided an important message for investors: artificial intelligence is increasingly moving beyond semiconductor demand into enterprise software, cybersecurity, cloud infrastructure, and productivity applications. That broader participation strengthens the investment case for AI while reducing the market's dependence on a narrow group of semiconductor companies. With nearly all S&P 500 companies having reported, earnings growth has remained broad-based across most sectors, constructive for market breadth and a healthier foundation for diversified portfolios.

European Markets

European equity markets traded mostly lower Thursday despite strength in technology shares following NVIDIA's results.
Technology stocks benefited from renewed enthusiasm surrounding artificial intelligence. Still, the broader Stoxx Europe 600 remained under pressure as investors balanced the improved technology outlook against political uncertainty, higher global bond yields, and continued geopolitical risks.
Markets across Europe also remained sensitive to developments in U.S. monetary policy. With Treasury yields elevated and investors awaiting Federal Reserve Chair Kevin Warsh's Jackson Hole address, expectations regarding the trajectory of U.S. interest rates continued to influence European bond and equity valuations.

Energy Markets

European equity markets closed mostly lower Thursday despite strength in technology shares following NVIDIA's results. The Stoxx Europe 600 fell 0.69% to 651.85, while London's FTSE 100 declined 0.79% to 10,792.54. Germany's DAX Index was the exception, adding 0.31% to close at 26,367.24. Technology stocks benefited from renewed enthusiasm surrounding artificial intelligence, helping cushion the DAX's advance. Still, the broader Stoxx Europe 600 and the FTSE 100 remained under pressure as investors balanced the improved technology outlook against political uncertainty, higher global bond yields, and continued geopolitical risks.
Markets across Europe also remained sensitive to developments in U.S. monetary policy. With Treasury yields elevated and investors awaiting Federal Reserve Chair Kevin Warsh's Jackson Hole address, expectations regarding the trajectory of U.S. interest rates continued to influence European bond and equity valuations.

Economic & Policy Outlook

The U.S. labor market continued to demonstrate resilience, with initial unemployment claims declining by 4,000 to 203,000 for the week ended August 22, below market expectations. Continuing claims also declined to approximately 1.78 million.
The numbers reinforce an increasingly important distinction within the labor market: hiring has moderated considerably, but employers have generally avoided significant layoffs. The result is a labor market characterized by slower job creation but continued employment stability.
With unemployment at 4.1%, layoffs historically low, and inflation remaining above the Federal Reserve's 2% objective, policymakers have limited justification for quickly shifting toward easier monetary policy.
The combination of resilient employment, elevated inflation, and potentially persistent energy costs strengthens the argument that monetary policy could remain restrictive for longer than markets previously anticipated. A rate increases later in 2026 or early 2027 cannot be dismissed if inflation fails to moderate or energy prices generate renewed price pressures.
That makes Federal Reserve Chair Kevin Warsh's upcoming Jackson Hole remarks particularly important. Investors will be looking for clues regarding how the Fed balances persistent inflation against slower hiring and whether policymakers believe current financial conditions are sufficiently restrictive.

The Final Word

Thursday's market action delivered another powerful reminder that earnings remain the primary engine of the equity bull market. NVIDIA's extraordinary growth confirmed that the AI infrastructure cycle remains exceptionally strong, while Salesforce and CrowdStrike demonstrated that AI's economic impact is increasingly spreading into software, cybersecurity, and enterprise applications. At the same time, strong corporate fundamentals are colliding with an increasingly complicated macroeconomic backdrop. A resilient labor market, elevated Treasury yields, persistent inflation, and geopolitical risks surrounding global energy markets could keep the Federal Reserve cautious.
For investors, the message is increasingly clear: **the AI revolution remains a powerful secular growth engine, but earnings must now carry more of the market's weight as the prospect of higher-for-longer interest rates challenges valuations.**

GDPNow Update:

- The GDPNow for the third quarter 2026 was updated to **4.60%**, up from 4.00%, a 15% increase.

Economic Update:

- **US Initial Claims for Unemployment Insurance:** fell to 203,000, down from 207,000 last week, a change of -1.93%.
- **US 4-Week Moving Average of Initial Claims for Unemployment Insurance:** rose to 205,500, up from 204,250 last week.
- **30 Year Mortgage Rate:** fell to 6.65%, compared to 6.67% last week.
- **Kansas City Fed Manufacturing Production Index:** Fell to 13.00, down from 20.00 last month.

Eurozone Summary:

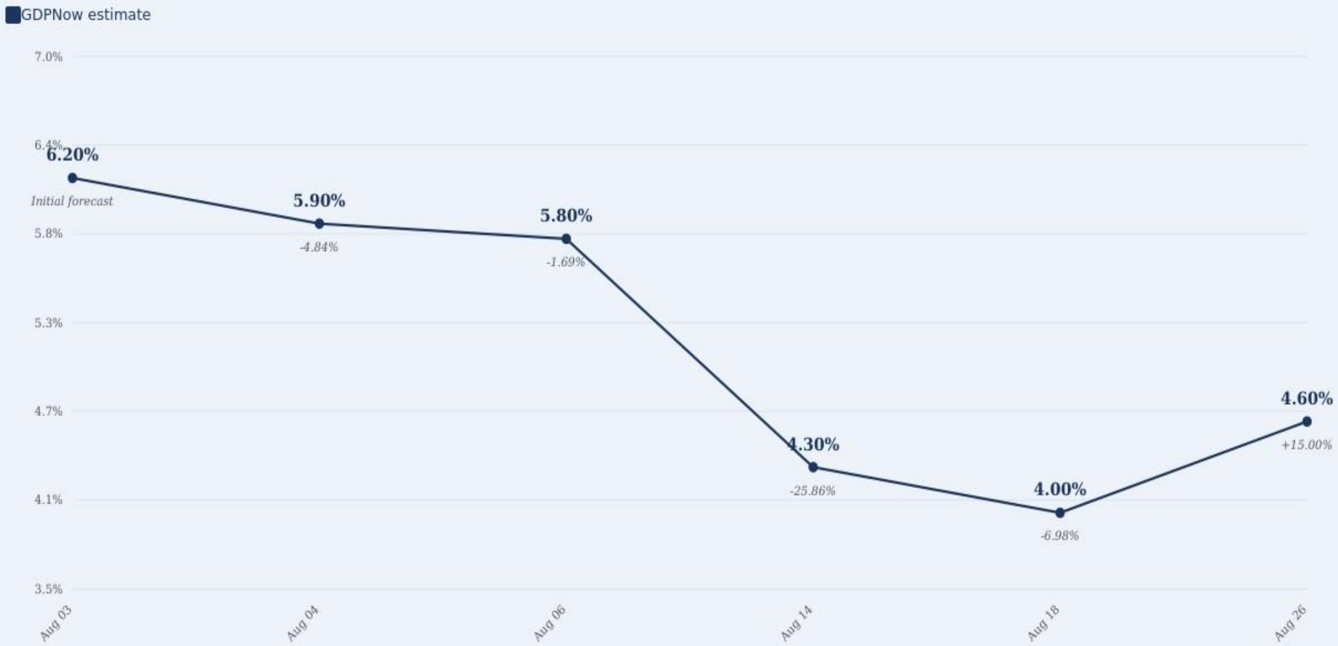
- **Stoxx 600:** closed at 651.85, down 4.56 points or 0.69%.
- **FTSE 100:** closed at 10,792.54, down 85.58 points or 0.79%.
- **DAX Index:** closed at 26,367.24, up 81.28 points or 0.31%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,569.44, up 105.56 points or 0.20%
- **S&P 500:** closed at 7,730.99, up 55.29 points or 0.72%
- **Nasdaq Composite:** closed at 26,541.35, up 44.15 points or 1.57%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,037.65, up 6.63 points or 0.13%
- **Birling Capital U.S. Bank Index:** closed at 10,365.22, down 46.45 points or 0.45%
- **U.S. Treasury 10-year note:** closed at 4.67%.
- **U.S. Treasury 2-year note:** closed at 4.20%

GDPNow 3Q26 real GDP growth estimate

Atlanta Fed GDPNow tracking forecast, August 2026 updates

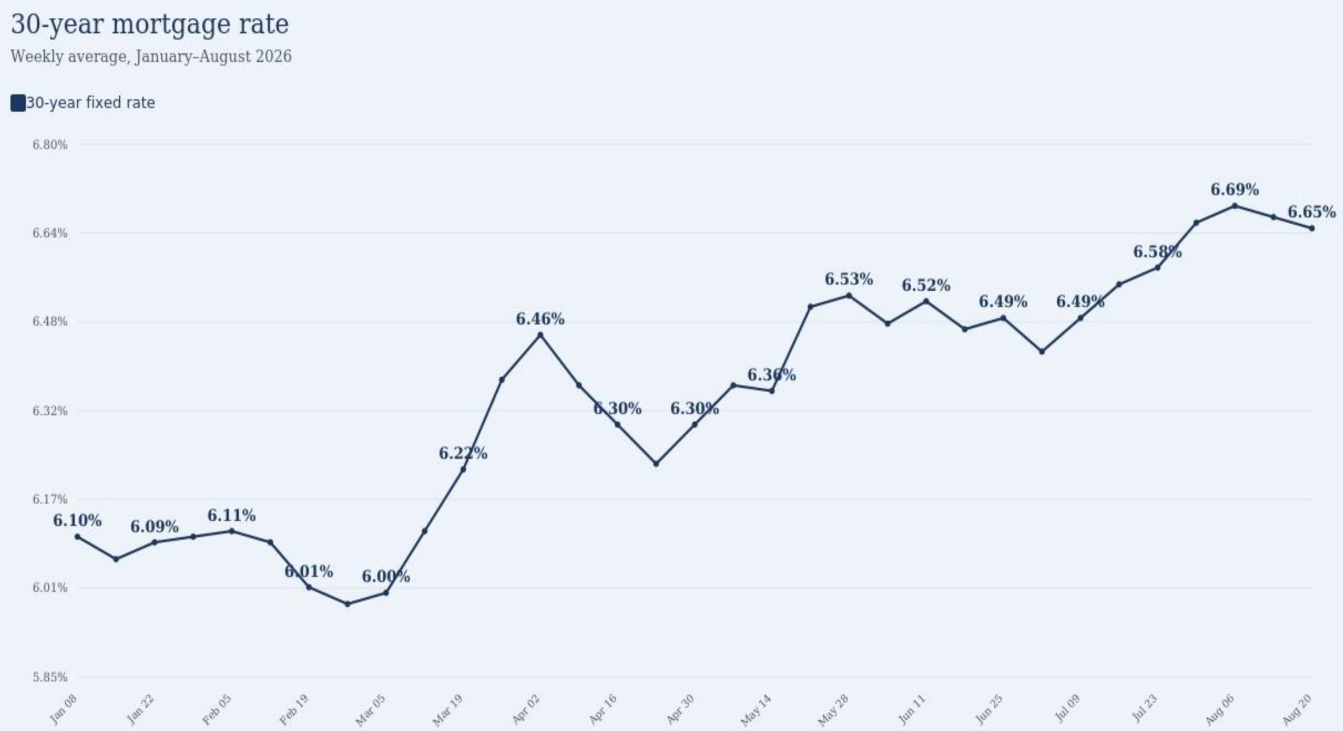


Source: Federal Reserve Bank of Atlanta. Chart: Birling Capital Advisors, LLC.

US initial claims for unemployment insurance

Weekly claims and 4-week moving average, January–August 2026

Source: U.S. Department of Labor. Chart: Birling Capital Advisors, LLC.



Source: Freddie Mac Primary Mortgage Market Survey. Chart: Birling Capital Advisors, LLC.

Kansas City Fed manufacturing production index

Monthly, January 2025–July 2026

Source: Federal Reserve Bank of Kansas City. Chart: Birling Capital Advisors, LLC.

European Markets Close

Thursday, August 27, 2026

Stoxx 600	FTSE 100	DAX Index
Closing Price	Closing Price	Closing Price
651.85	10,792.54	26,367.24
▼ 4.56 pts	▼ 85.58 pts	▲ 81.28 pts
-0.69%	-0.79%	+0.31%

Thursday, August 27, 2026

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
53,569.44	7,730.99	26,541.35	5,037.65	10,365.22
+105.56	+55.29	+44.15	+6.63	-46.45
(+0.20%)	(+0.72%)	(+1.57%)	(+0.13%)	(-0.45%)

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
4.67%	4.20%

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

Wall Street Recap
August 27, 2026