Dow surges nearly 700 points for a record close as big tech stocks rally, and oil prices slide

August 3, 2026

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets opened the week sharply higher as investors welcomed easing geopolitical tensions, tumbling oil prices, and renewed optimism around technology earnings. The Dow Jones Industrial Average surged 693 points, or 1.3%, to a record close, surpassing the previous high set on July 6, while the S&P 500 gained 1.5% and the Nasdaq Composite advanced 2.1%. Risk sentiment improved after President Donald Trump called off a planned strike against Iran over the weekend and said talks between the two countries would resume Monday, helping push Brent crude down 5% to $83.46 a barrel and West Texas Intermediate crude down more than 7% to $78.59 a barrel. The benchmark 10-year U.S. Treasury yield slipped 5 basis points to 4.70%, providing additional support for equities.

This week's attention now shifts to two critical market catalysts: another busy round of second-quarter corporate earnings and a series of labor market reports culminating with Friday's July employment report. More than 100 S&P 500 companies are scheduled to report earnings this week. At the same time, investors will closely monitor JOLTS job openings, the ADP employment report, weekly jobless claims, and Friday's nonfarm payrolls release for additional insight into the strength of the U.S. economy.

U.S. Markets

U.S. equities rallied to open August, led by a sharp rebound in communications services and technology shares. Meta Platforms jumped nearly 6% on the day, Amazon rose more than 4% and briefly touched a record $3 trillion market capitalization, Nvidia gained 3%, and both Alphabet and Microsoft climbed around 5%. The advance marked a sharp reversal from July, when technology shares broadly declined amid investor concerns over the pace of AI-related capital spending.

The rotation back into growth and technology names reflected renewed investor confidence that heavy capital spending on AI infrastructure is generating an attractive return, alongside easing geopolitical risk following the pause in U.S.-Iran tensions. Demand for accelerated computing capacity continues to run well ahead of supply, supporting the broader semiconductor and cloud infrastructure trade even after a volatile July.

The market remains supported by another impressive earnings season, with approximately 61% of S&P 500 companies having reported second-quarter results. Of those companies, roughly 86% have exceeded Wall Street's earnings expectations, reinforcing confidence that corporate America continues to navigate higher interest rates and geopolitical uncertainty successfully. Second-quarter earnings growth remains exceptionally strong, driven by technology, communication services, consumer discretionary, and energy companies, with profit growth broadening beyond mega-cap technology firms into mid-cap companies as well.

Investors will also focus on labor market indicators throughout the week. Tuesday's JOLTS report, Wednesday's ADP employment figures, and Friday's nonfarm payrolls report are expected to provide additional confirmation that the U.S. labor market remains resilient. Employment growth has stabilized in recent months, unemployment remains historically low near 4.2%, and weekly unemployment claims continue to reflect limited layoffs, supporting expectations that consumer spending and economic expansion remain intact.

European Markets

European markets traded higher Monday after fresh economic data reinforced confidence in the region's manufacturing recovery. The Eurozone Manufacturing Purchasing Managers' Index remained in expansion territory for a sixth consecutive month, suggesting industrial activity continues to stabilize following an extended slowdown.
Investor sentiment also benefited from easing energy prices. It reduced geopolitical concerns, with industrial, financial, and consumer sectors leading early gains as markets awaited additional economic data from both Europe and the United States later this week. The three indexes we follow closed mostly higher: Stoxx 600, up 2.90 points; FTSE 100, down 10.35 points; and DAX Index, up 372.07 points.

Energy Markets

Oil prices declined sharply after the weekend's diplomatic developments reduced immediate concerns over supply disruptions in the Middle East. West Texas Intermediate crude fell below the $80 per barrel level, while Brent crude also retreated, easing inflation expectations and improving sentiment across global equity markets.
Lower energy prices also contributed to declining Treasury yields, reinforcing expectations that inflation pressures could continue moderating despite resilient global economic activity.

Economic & Policy Outlook

Markets will closely monitor several important economic releases throughout the week. June JOLTS job openings, the ADP employment report, weekly unemployment claims, and Friday's nonfarm payrolls report will provide critical insight into labor market conditions ahead of future Federal Reserve policy decisions.
Political developments are also expected to remain in focus as the United States moves closer to the November midterm elections. Historically, equity markets have generally demonstrated resilience during election years, with corporate earnings, economic growth, and monetary policy continuing to exert a greater influence on long-term market performance than political headlines.

The Final Word

The week begins with improving investor confidence as geopolitical tensions ease, oil prices retreat, and another strong earnings season continues to reinforce the fundamental strength of corporate America. With markets now turning their attention to labor market data and another wave of earnings reports, investors will be looking for confirmation that economic growth remains durable enough to support continued gains while allowing inflation to moderate gradually.

Corporate Earnings Parade:

1. **Marriott International, Inc. (MAR):** reported earnings for the second quarter of 2026 with revenues of $1,366 billion, up 14%, with Net Income of $844 million, up 15.93%, and Earnings Per Share of $3.19. MAR has a Stock Price Target of $384.83. **Check our report:** MAR Overview

GDPNow Update:

- The Initial forecast for the third quarter of 2026 from GDPNow is 6.20%.

Economic Data:

- **US ISM Manufacturing PMI:** rose to 55.60, up from 53.30 last month, a change of 4.32%.
- **US Construction Spending MoM:** fell -0.09%, compared to 0.01% last month.
- **US Consumer Credit Outstanding MoM:** fell by -182.45M, down from 20.82B last month.

Eurozone Summary:

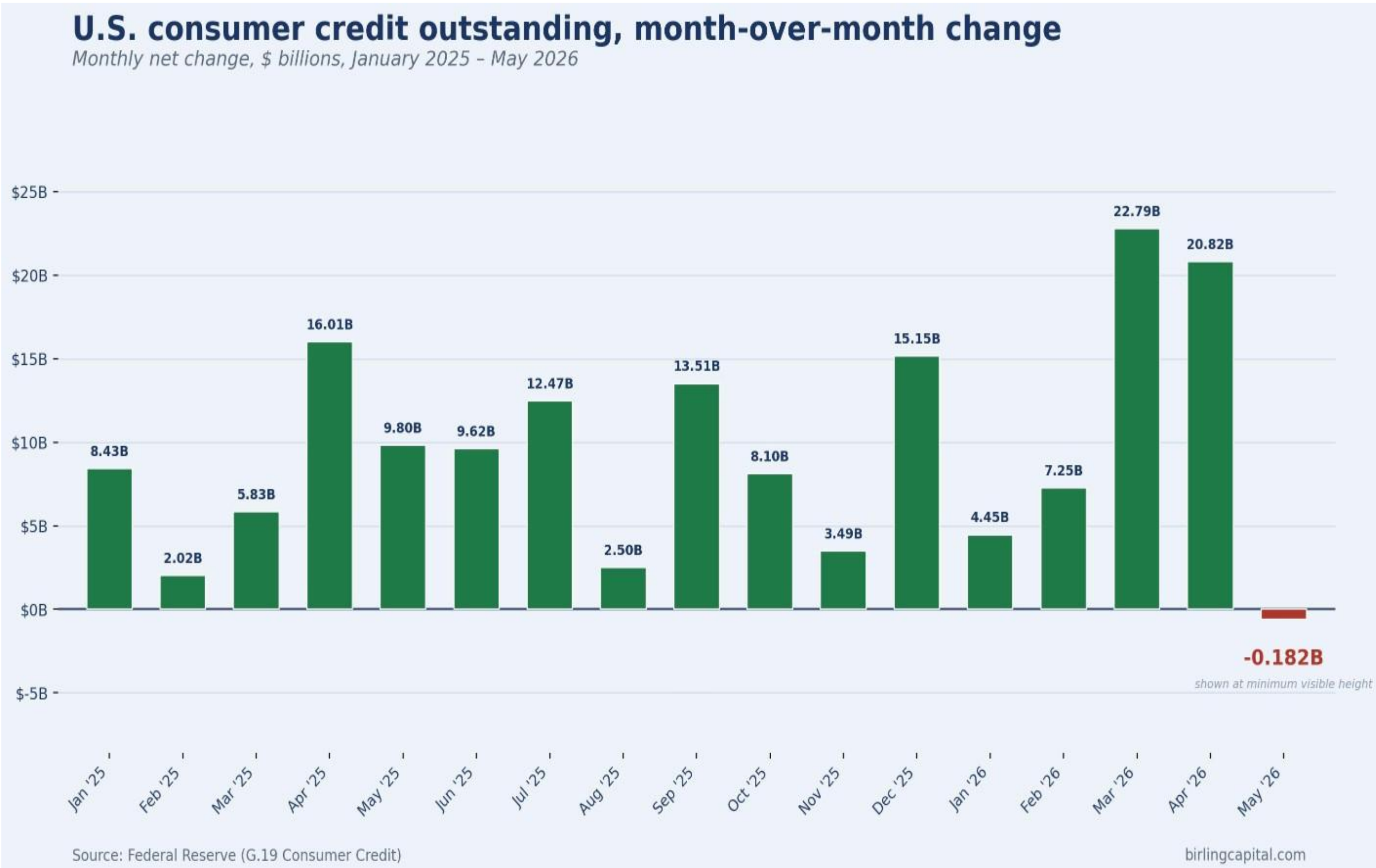
- **Stoxx 600:** closed at 652.09, up 2.90 points or 0.45%.
- **FTSE 100:** closed at 10,857.70, down 10.35 points or 0.10%.
- **DAX Index:** closed at 26,001.31, up 372.07 points or 1.45%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,178.41, up 693.38 points or 1.32%
- **S&P 500:** closed at 7,600.50, up 110.78 points or 1.48%
- **Nasdaq Composite:** closed at 25,913.90, up 540.04 points or 2.13%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,157.86, down 23.14 points or 0.45%
- **Birling Capital U.S. Bank Index:** closed at 10,259.28, up 34.60 points or 0.34%
- **U.S. Treasury 10-year note:** closed at 4.70%.
- **U.S. Treasury 2-year note:** closed at 4.25%.

U.S. ISM manufacturing PMI

Monthly index level, January 2023 – July 2026


U.S. consumer credit outstanding, month-over-month change
Monthly net change, $ billions, January 2025 – May 2026
$25B
$20B
$15B
$10B
$5B
$0B
$-5B
8.43B
2.02B
5.83B
16.01B
9.80B
9.62B
12.47B
2.50B
13.51B
8.10B
3.49B
15.15B
4.45B
7.25B
22.79B
20.82B
-0.182B
shown at minimum visible height
Jan '25
Feb '25
Mar '25
Apr '25
May '25
Jun '25
Jul '25
Aug '25
Sep '25
Oct '25
Nov '25
Dec '25
Jan '26
Feb '26
Mar '26
Apr '26
May '26
Source: Federal Reserve (G.19 Consumer Credit)
birlingcapital.com

GDPNow update

Federal Reserve Bank of Atlanta, real GDP growth estimate

Third quarter 2026
6.20%
Initial forecast

Source: Federal Reserve Bank of Atlanta (GDPNow)

birlingcapital.com

BIRLING CAPITAL ADVISORS, LLC

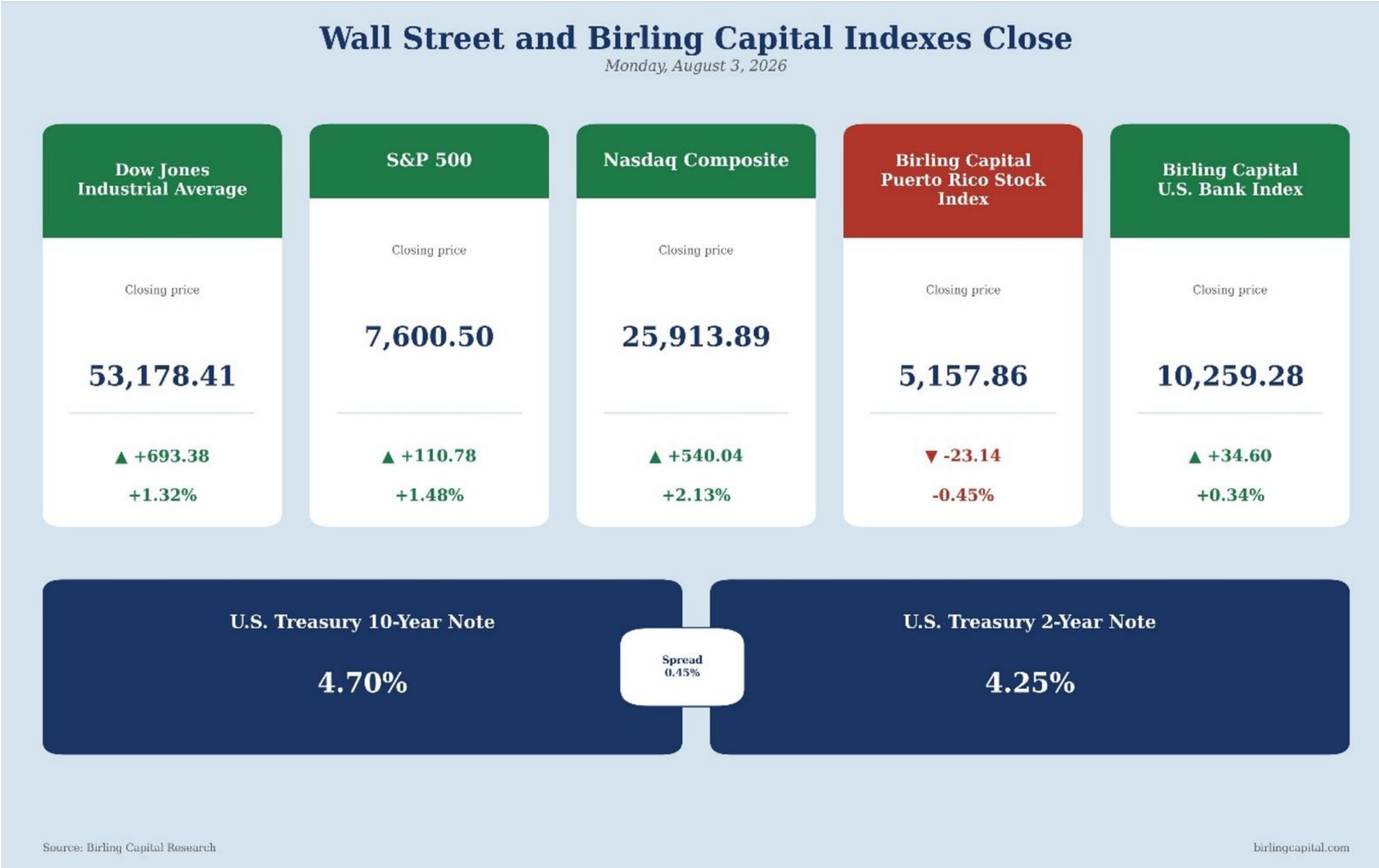
Eurozone markets close

Monday, August 3, 2026

Stoxx 600	FTSE 100	DAX Index
Closing price	Closing price	Closing price
652.09	10,857.70	26,001.31
▲ +2.90 pts	▼ -10.35 pts	▲ +372.07 pts
+0.45%	-0.10%	+1.45%

Source: Birling Capital

birlingcapital.com



Wall Street and Birling Capital Indexes Close
Monday, August 3, 2026
Dow Jones Industrial Average
Closing price
53,178.41
▲ +693.38
+1.32%
S&P 500
Closing price
7,600.50
▲ +110.78
+1.48%
Nasdaq Composite
Closing price
25,913.89
▲ +540.04
+2.13%
Birling Capital Puerto Rico Stock Index
Closing price
5,157.86
▼ -23.14
-0.45%
Birling Capital U.S. Bank Index
Closing price
10,259.28
▲ +34.60
+0.34%
U.S. Treasury 10-Year Note
4.70%
Spread
0.45%
U.S. Treasury 2-Year Note
4.25%
Source: Birling Capital Research
birlingcapital.com


VAL
Dow Jones Industrial Average Level 53178.41
53178.41
50000.00
47500.00
45000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
S&P 500 Level 7600.50
7600.50
7000.00
6500.00
6000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
Nasdaq Composite Level 25913.90
27500.00
25913.90
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 5157.86
5157.86
4500.00
4000.00
3500.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
Birling Capital U.S. Bank Index Level 10259.28
10800.00
10259.28
8400.00
7200.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26