GLOBAL MARKET SQUARE
BIRLING CAPITAL ADVISORS, LLC

Stocks close at record highs as oil retreats further on Hormuz hopes

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed sharply higher Tuesday, with the S&P 500 and Dow Jones Industrial Average both reaching fresh record closes as strong earnings and another leg down in oil prices lifted sentiment across asset classes.

U.S. Markets

U.S. equities posted a standout session Tuesday, with the S&P 500 climbing 1.79% to a record close of 7,736.52 — its first fresh high since June — and the Dow adding 907.47 points, or 1.71%, to close at 54,085.88, also a record. The Nasdaq Composite jumped 2.59% to 26,584.99, powered by a 29% surge in Palantir Technologies, while the Dow's advance was led by Caterpillar, which rose more than 5% and cleared its prior intraday record. Technology shares broadly gained around 4%, financials advanced 0.9% with Goldman Sachs up more than 2%, and industrials and materials each rose nearly 2%. The rally continues to be underpinned by crude's pullback on hopes that the Strait of Hormuz could soon reopen to commercial shipping, and by a solid batch of corporate earnings. Treasury yields moved lower in sympathy, with the 10-year note settling near 4.63%, and the U.S. dollar softened modestly against major currencies as rate-cut expectations firmed up.

European Markets

European bourses closed higher Tuesday, tracking Wall Street's optimism on the prospect of a Hormuz resolution and continued strength in corporate earnings. Basic resources, industrials, and technology shares led the advance, while banking names remained firm following better-than-expected results from several major lenders. The three indexes we follow closed higher: Stoxx 600, up 4.77 points; FTSE 100, up 21.68 points; and DAX Index, up 201.04 points.

Energy Markets

Oil prices traded near $76 a barrel Tuesday, extending Monday's sharp pullback after Treasury Secretary Scott Bessent said a deal to reopen the Strait of Hormuz to commercial traffic could come as soon as Tuesday or Wednesday, with the agreement expected to guarantee freedom of movement for commercial vessels. The comments accelerated a sell-off that had already been building on hopes that direct U.S.-Iran diplomacy would ease the eight-month-old conflict's grip on global shipping lanes. We continue to view the trajectory of Hormuz negotiations as the single biggest swing factor for energy prices, and by extension for the inflation and rate-cut narrative markets are trading on.

Economic & Policy Outlook

Tuesday's data flow reinforced a picture of a labor market that is cooling gradually rather than cracking, a trade deficit that continues to narrow, and consumers facing renewed pressure at the pump. Job openings declined for the second straight month, a signal worth watching even as it remains consistent with a gradually softening rather than deteriorating labor backdrop. The narrower trade gap, in our view, reflects both firmer exports and moderating import demand. Meanwhile, the jump in retail gasoline prices — even as crude oil eases — bears watching as a potential offset to the disinflation narrative markets have been pricing in. Friday's July payrolls report remains the week's key catalyst.

The Final Word

Tuesday's session was a reminder of how quickly sentiment can shift when a persistent overhang starts to lift: with oil retreating on real progress toward a Hormuz resolution, both the broad market and the AI trade found room to run, and record closes for the S&P 500 and Dow followed. The breadth of the advance — financials, industrials, and materials all participating alongside tech — is, in our view, a healthier signal than a narrow mega-cap-only rally. We would still caution that headline risk around the Iran negotiations remains elevated, gasoline prices are moving the wrong way for consumers even as crude eases, and Friday's jobs report still has the ability to reset the rate-cut conversation in either direction.

Economic Data:

- **US Job Openings: Total Nonfarm:** fell to 7.359M, down from 7.537M last month, a change of -2.36%.
- **US Trade Balance on Goods:** fell to -102.11B, up from -105.97B last month.
- **US Retail Gas Price**: rose to $4.228, up from $4.131 last week.

Eurozone Summary:

- **Stoxx 600:** closed at 656.86, up 4.77 points or 0.73%.
- **FTSE 100:** closed at 10,879.38, up 21.68 points or 0.20%.
- **DAX Index:** closed at 26,202.35, up 201.04 points or 0.77%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 54,085.88, up 907.47 points or 1.71%
- **S&P 500:** closed at 7,736.52, up 136.02 points or 1.79%
- **Nasdaq Composite:** closed at 26,584.99, up 671.09 points or 2.59%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,178.26, up 20.40 points or 0.40%
- **Birling Capital U.S. Bank Index:** closed at 10,350.78, up 91.51 points or 0.89%
- **U.S. Treasury 10-year note:** closed at 4.63%.
- **U.S. Treasury 2-year note:** closed at 4.20%.


U.S. job openings: total nonfarm
Monthly, in millions | January 2025 – June 2026
Openings (millions)
7.8
7.6
7.4
7.2
7.0
6.8
6.6
6.4
6.2
7.359M
Mar '25
Jun '25
Sep '25
Dec '25
Mar '26
Jun '26
Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, EIA, Birling Capital Advisors
birlingcapital.com


U.S. trade balance on goods
Monthly, in billions of dollars | February 2025 – June 2026
Balance ($ billions)
0
−20
−40
−60
−80
−100
−120
−140
−160
Apr '25
Jul '25
Oct '25
Jan '26
Apr '26
Jul '26
-$102.11B
Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, EIA, Birling Capital Advisors
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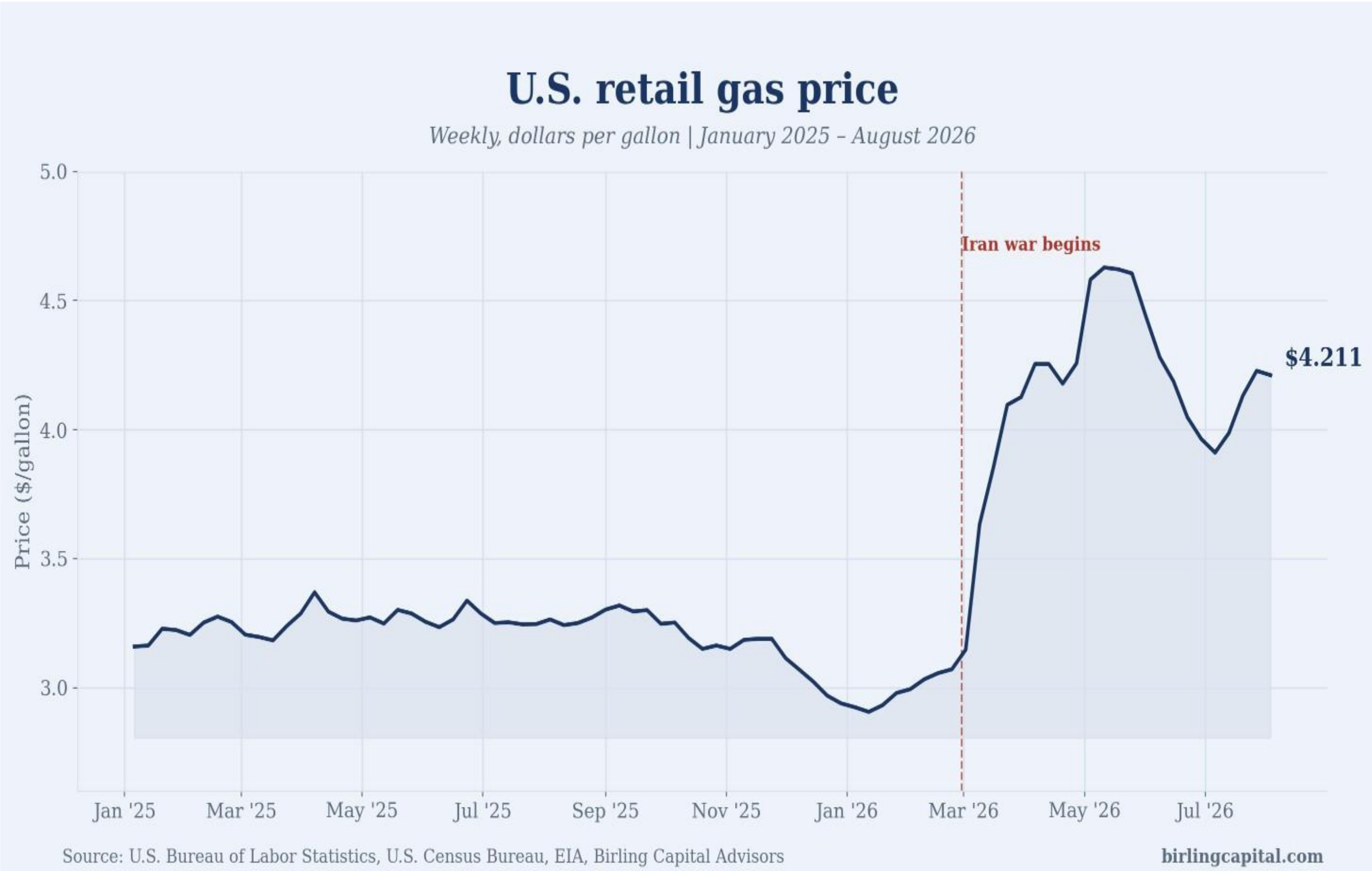

U.S. retail gas price
Weekly, dollars per gallon | January 2025 – August 2026
5.0
4.5
4.0
3.5
3.0
Price ($/gallon)
Iran war begins
$4.211
Jan '25
Mar '25
May '25
Jul '25
Sep '25
Nov '25
Jan '26
Mar '26
May '26
Jul '26
Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, EIA, Birling Capital Advisors
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Eurozone Markets Close

Tuesday, August 4, 2026

Stoxx 600	FTSE 100	DAX Index
Closing Price	Closing Price	Closing Price
656.86	**10,879.38**	**26,202.35**
▲ 4.77 pts	▲ 21.68 pts	▲ 201.04 pts
+0.73%	+0.20%	+0.77%

Source: Bloomberg, Refinitiv, Birling Capital Advisors

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Wall Street and Birling Capital Indexes Close

Tuesday, August 4, 2026

Index	Closing Price	Change (pts)	Change (%)
Dow Jones Industrial Average	54,085.88	▲ 907.47 pts	+1.71%
S&P 500	7,736.52	▲ 136.02 pts	+1.79%
Nasdaq Composite	26,584.99	▲ 671.09 pts	+2.59%
Birling Capital PR Stock Index	5,178.26	▲ 20.40 pts	+0.40%
Birling Capital U.S. Bank Index	10,350.78	▲ 91.57 pts	+0.89%

U.S. Treasury 10-Year Note
4.63%

U.S. Treasury 2-Year Note
4.20%

2s10s Spread: +43 bps

Source: Bloomberg, Refinitiv, Birling Capital Advisors

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Wall Street Recap

August 4, 2026

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