Dow extends winning streak as S&P 500, Nasdaq retreat from records

August 5, 2026

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The U.S. and European stock markets closed Wednesday in a mixed but constructive session, as investors balanced another active day of corporate earnings with fresh labor market data and encouraging geopolitical developments. The Dow Jones Industrial Average extended its winning streak to a fifth consecutive session, while the S&P 500 and Nasdaq Composite pulled back modestly from the record highs set a day earlier. Optimism surrounding a possible agreement to facilitate commercial navigation through the Strait of Hormuz continued to support risk appetite, helping keep energy prices relatively contained despite lingering regional tensions. Asian markets finished broadly higher overnight, while most European indexes advanced after eurozone producer inflation eased from the previous month, reinforcing expectations that inflationary pressures continue to moderate. Treasury yields eased modestly, with the 10-year U.S. Treasury yield settling near 4.63% and the 2-year near 4.18%, as investors shifted their focus toward Friday's employment report.

US markets

Wall Street delivered a split session on Wednesday, as the S&P 500 pulled back from an intraday record while the Dow Jones Industrial Average extended its winning streak. The S&P 500 slipped 0.2%, snapping a four-session winning run, while the Dow gained 263 points, or 0.5%, marking its fifth consecutive advance. The Nasdaq Composite underperformed, falling 0.8% as several megacap technology names weighed on the index.
Nvidia shares climbed 4% after SpaceX's Elon Musk said during the company's earnings call that SpaceX would rely exclusively on Nvidia processors for its artificial intelligence computing buildout, calling it "the best AI computer." SpaceX shares fell 13% after the company reported that capital expenditures surged sixfold to $18.4 billion in the second quarter, with the bulk of the spending directed toward AI infrastructure — a figure that came in above analyst expectations.
Advanced Micro Devices dropped 6% after posting second-quarter results that only modestly exceeded consensus estimates, while Alphabet slipped 4% following news that the company is restructuring its AI divisions and that longtime chief scientist Jeff Dean is departing after 27 years with the company.
Wednesday's pullback followed a strong session Tuesday, when the S&P 500 closed above 7,700 for the first time and the Dow notched a fresh record high. Strategists pointed to unusually strong momentum behind the recent rally, with one investment strategist noting that "animal spirits are really back with a gusto" — the kind of move that has historically been rare. Renewed hope for a deal to reopen the Strait of Hormuz has also lent support to equities this week.
Oil prices held steady Wednesday after Tuesday's decline, when Treasury Secretary Scott Bessent signaled the U.S. and Iran could be nearing an agreement to reopen the Strait. West Texas Intermediate futures for September delivery settled down 0.73% at $75.22 a barrel, while Brent crude futures for October delivery rose 0.11% to settle at $79.45 a barrel.

European Markets

European equities closed a mixed session on Wednesday, with modest gains in London and across the broader Stoxx 600 offset by weakness in Frankfurt. Investors weighed the latest round of corporate earnings alongside shifting expectations for central bank policy, keeping trading ranges narrow across the region. The Stoxx 600 edged higher as gains in defensive sectors helped balance softness elsewhere, while the FTSE 100 posted a slight advance as investors rotated into UK-listed names. The DAX Index lagged behind its regional peers, slipping as export-sensitive stocks came under pressure amid ongoing concerns about global demand. The three indexes we follow closed mixed: Stoxx 600, up 0.28 points; FTSE 100, up 8.92 points; and DAX Index, down 76.05 points.

Labor Market Shows Slower Hiring but Continued Stability

The July ADP Employment Report indicated that U.S. private employers added **44,000 jobs**, below consensus expectations and representing the slowest pace of hiring in six months. While the headline suggested some moderation in employment growth, the underlying data continued to portray a fundamentally resilient labor market rather than one experiencing significant deterioration. Service-producing industries generated the month's hiring gains, while goods-producing sectors softened modestly.

Wage growth also remained healthy. Employees who stayed with their employers experienced median annual pay increases of **4.4%**, while workers changing jobs enjoyed **7.0%** wage growth, underscoring continued competition for skilled labor. Although elevated wage gains may keep the Federal Reserve attentive to inflation risks, the broader employment picture remains consistent with a slowing—but still expanding—economy. Attention now turns to Friday's nonfarm payrolls report, which will provide a more comprehensive assessment of labor market conditions and could influence expectations for future monetary policy.

Corporate Earnings Continue to Demonstrate Underlying Strength

Second-quarter earnings remain the primary driver of market sentiment. Advanced Micro Devices (AMD) reported quarterly revenue and earnings that exceeded Wall Street expectations, fueled by continued robust demand for artificial intelligence and data-center infrastructure. Nevertheless, the shares traded lower in early trading as investors appeared to have anticipated even stronger guidance following the stock's remarkable performance this year.

Meanwhile, SpaceX released its first quarterly results as a publicly traded company, reporting substantial revenue growth and narrowing losses. However, investors reacted negatively to the company's significantly higher-than-expected capital expenditures related to expanding artificial intelligence infrastructure, highlighting that markets are becoming increasingly selective about rewarding AI-related spending unless accompanied by clear and immediate returns.

Despite isolated disappointments, the broader earnings season remains exceptionally constructive. With approximately three-quarters of S&P 500 companies having reported, corporate profits continue to exceed expectations, reinforcing confidence that strong earnings growth remains one of the market's most important pillars as investors look toward the second half of 2026.

Corporate Earnings Parade:

1. **EVERTEC, Inc. (EVTC):** reported earnings for the second quarter of 2026 with revenues of $278.82 million, up 20%, with Net Income of $5.4 million, and Earnings Per Share of $0.09. EVTC has a Stock Price Target of $33.00. Check our report: EVTC Overview

GDPNow Update:

- The Initial forecast for the third quarter of 2026 from GDPNow fell to 5.90%, from 6.20%, a decrease of 4.84%.

Economic Data:

- **ADP Employment Change:** 44,000, down from 95,000 last month, fell to -53.68%.
- **US ISM Services PMI:** rose to 54.10, from 54.00 last month.
- **US ISM Services New Orders Index:** rose to 57.20, up from 55.10 last month.
- **US ISM Services Employment Index:** fell to 47.40, down from 51.20 last month.
- **US ISM Services Prices Paid Index:** rose to 70.30, up from 67.70 last month.

Eurozone Summary:

- **Stoxx 600:** closed at 657.14, up 0.28 points or 0.043%.
- **FTSE 100:** closed at 10,888.30, up 8.92 points or 0.082%.
- **DAX Index:** closed at 26,126.30, down -76.05 points or 0.29%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 54,349.12, up 263.24 points or 0.49%
- **S&P 500:** closed at 7,723.55, down 12.97 points or 0.17%
- **Nasdaq Composite:** closed at 26,363.43, down 221.55 points or 0.83%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,263.64, up 85.38 points or 1.65%
- **Birling Capital U.S. Bank Index:** closed at 10,529.53, up 178.75 points or 1.73%
- **U.S. Treasury 10-year note:** closed at 4.63%.
- **U.S. Treasury 2-year note:** closed at 4.18%.

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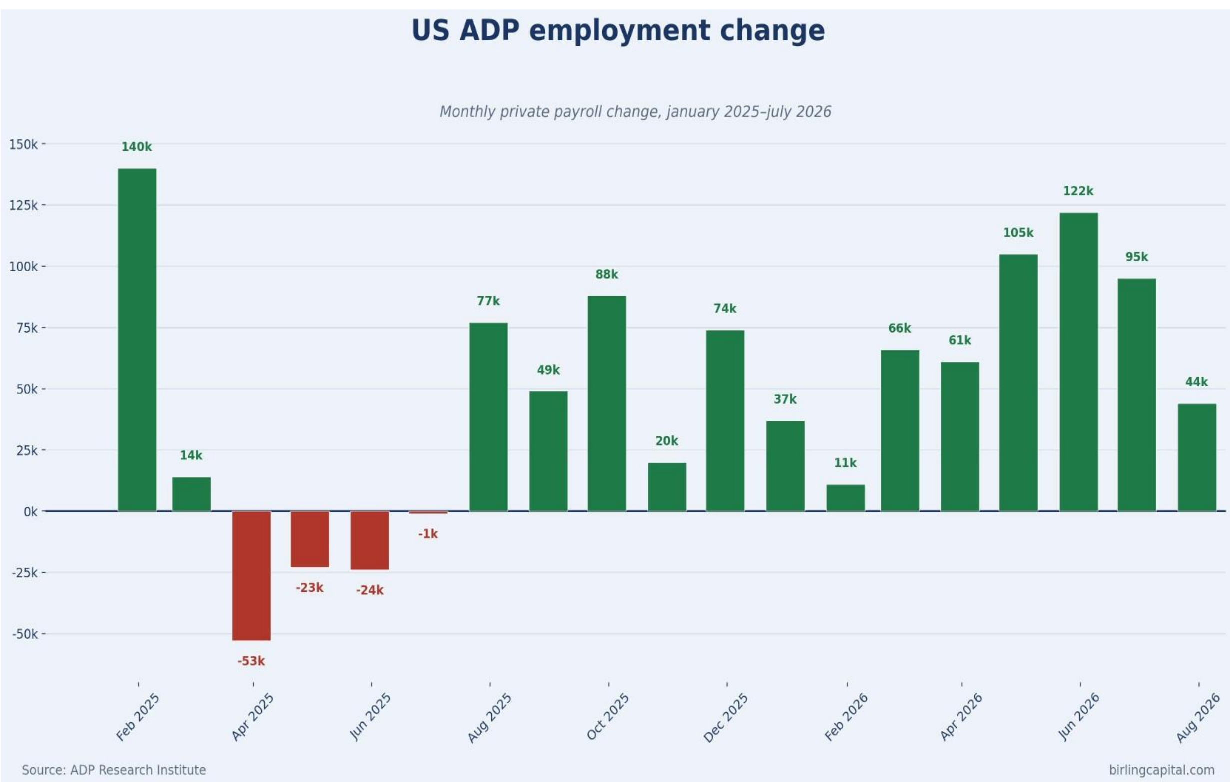

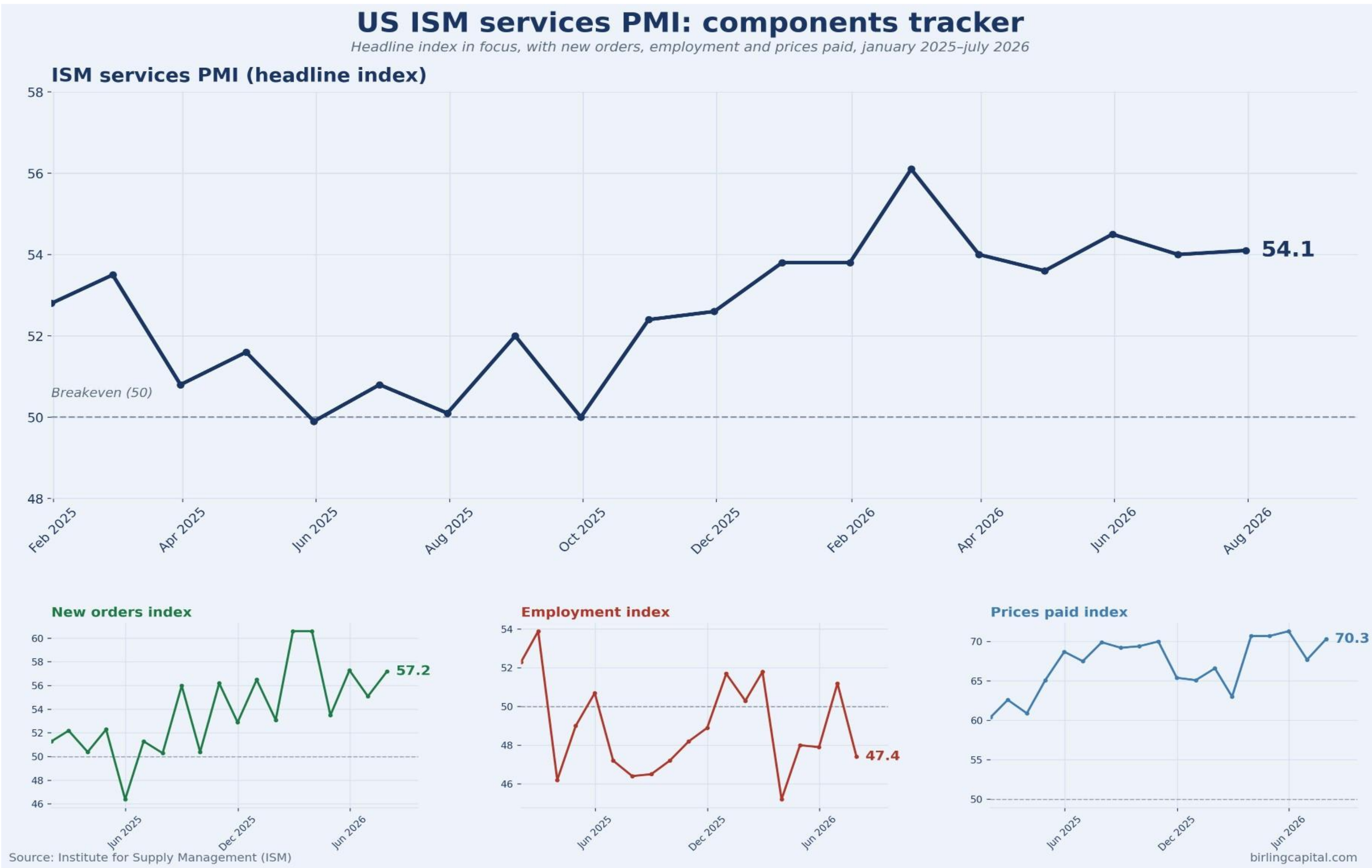

US ISM services PMI: components tracker
Headline index in focus, with new orders, employment and prices paid, january 2025–july 2026
ISM services PMI (headline index)
Breakeven (50)
54.1
New orders index
57.2
Employment index
47.4
Prices paid index
70.3
Source: Institute for Supply Management (ISM)
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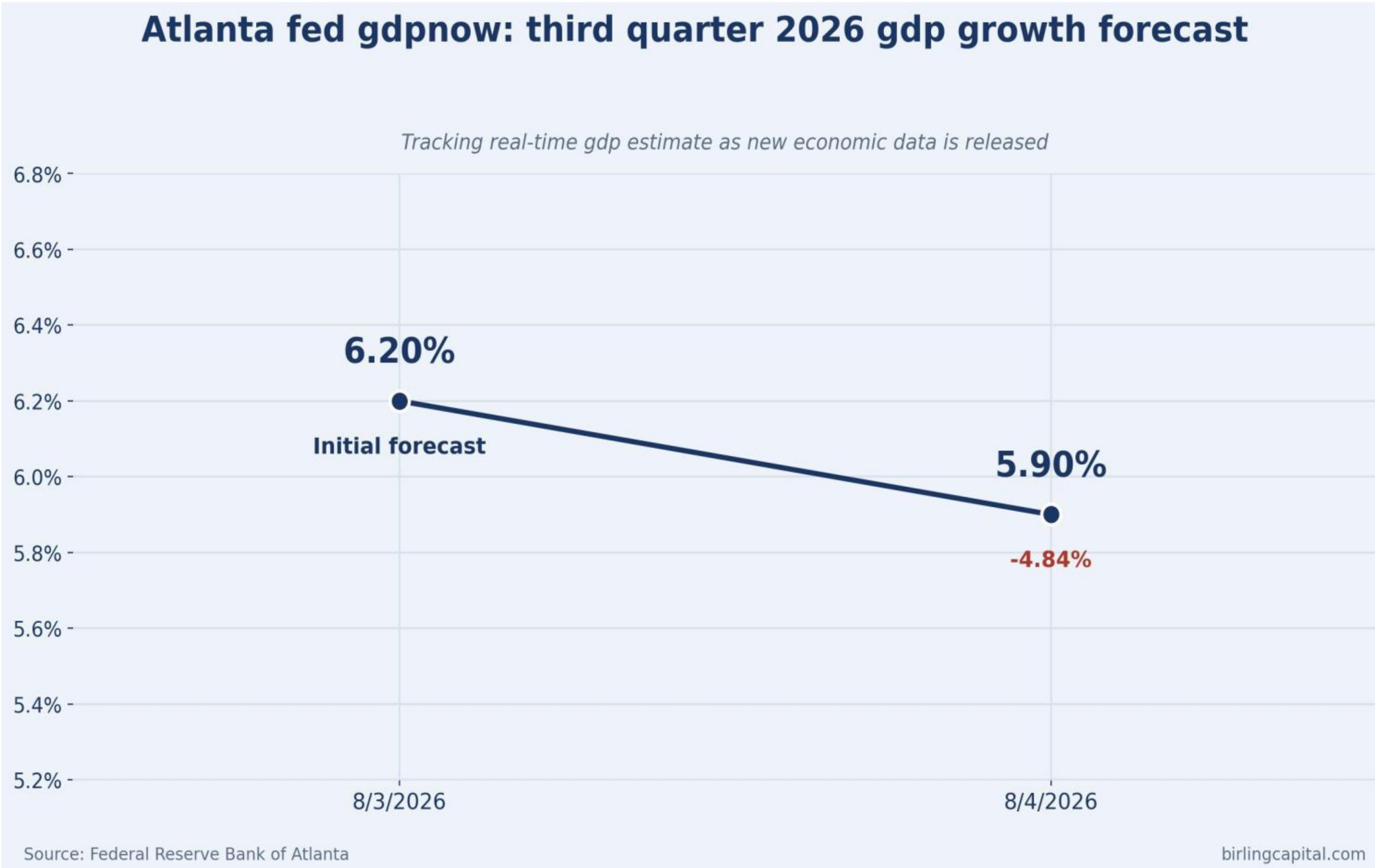

Atlanta fed gdpnow: third quarter 2026 gdp growth forecast
Tracking real-time gdp estimate as new economic data is released
6.8%
6.6%
6.4%
6.2%
6.0%
5.8%
5.6%
5.4%
5.2%
6.20%
Initial forecast
5.90%
-4.84%
8/3/2026
8/4/2026
Source: Federal Reserve Bank of Atlanta
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Eurozone markets close

Wednesday, august 5, 2026

	Stoxx 600	FTSE 100	DAX Index
Closing price	657.14	10,888.30	26,126.30
	▲ +0.28 pts	▲ +8.92 pts	▼ -76.05 pts
	+0.04%	+0.08%	-0.29%

Source: Bloomberg, Birling Capital Advisors

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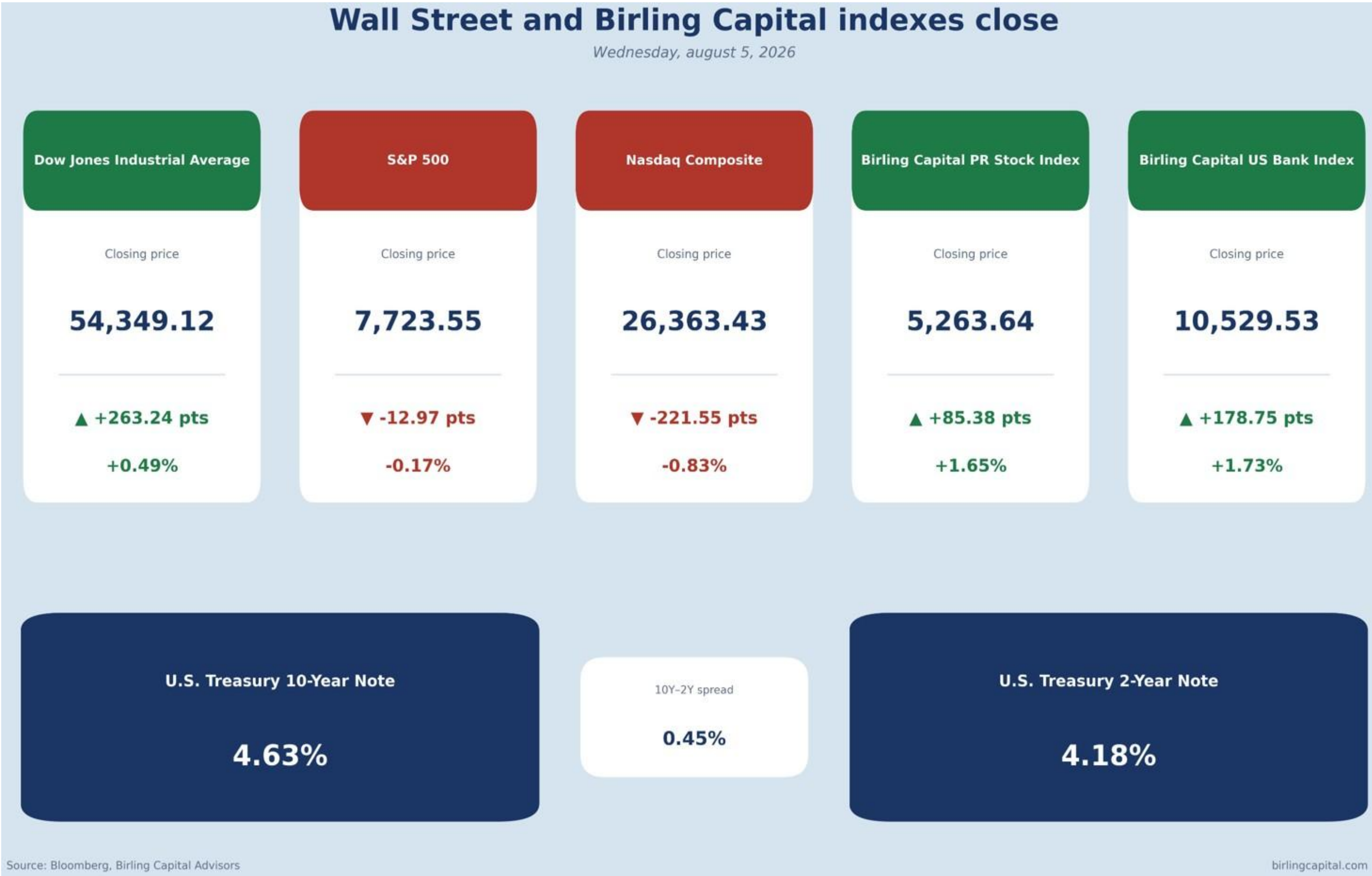

Wall Street and Birling Capital indexes close
Wednesday, august 5, 2026
Dow Jones Industrial Average
Closing price
54,349.12
▲ +263.24 pts
+0.49%
S&P 500
Closing price
7,723.55
▼ -12.97 pts
-0.17%
Nasdaq Composite
Closing price
26,363.43
▼ -221.55 pts
-0.83%
Birling Capital PR Stock Index
Closing price
5,263.64
▲ +85.38 pts
+1.65%
Birling Capital US Bank Index
Closing price
10,529.53
▲ +178.75 pts
+1.73%
U.S. Treasury 10-Year Note
4.63%
10Y–2Y spread
0.45%
U.S. Treasury 2-Year Note
4.18%
Source: Bloomberg, Birling Capital Advisors
birlingcapital.com

VAL
Dow Jones Industrial Average Level 54349.12
54349.12
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 7723.55
7723.55
6600.00
6000.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26
VAL
Nasdaq Composite Level 26363.44
27500.00
26363.44
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 5263.64
5263.64
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 10529.53
10529.53
8400.00
7200.00
Jan '26 Feb '26 Mar '26 Apr '26 May '26 Jun '26 Jul '26 Aug '26