GLOBAL MARKET SQUARE
BIRLING CAPITAL ADVISORS, LLC

S&P 500 Falls as Oil Prices Climb on Strait of Hormuz Tensions, Dow Snaps Five-Day Win Streak

August 6, 2026

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The U.S. and European stock markets traded mixed Thursday as investors weighed a rise in oil prices tied to renewed uncertainty over the Strait of Hormuz alongside a heavy slate of corporate earnings. Market sentiment remained cautious ahead of Friday's closely watched July nonfarm payrolls report, while developments surrounding a potential agreement to reopen the strait continued to swing risk appetite as reports of an Iranian draft plan and explosions near a transiting tanker in Omani waters unsettled traders even as talks between Iran and Oman appeared to move closer to a deal. Treasury yields moved modestly higher, with the 10-year U.S. Treasury yield closing at 4.69% and the 2-year Treasury yield at 4.25%.

U.S. Markets

Wall Street snapped a five-day winning streak Thursday, with the S&P 500 slipping 0.18% to close at 7,709.96 and the Nasdaq Composite easing 0.06% to 26,348.35. The Dow Jones Industrial Average led the decline, falling 464.02 points, or 0.85%, to 53,885.10, weighed down by a roughly 3% drop in Salesforce shares after the company announced a leadership shuffle. Earnings reactions drove much of the day's individual stock moves: Sandisk fell more than 6% on fiscal fourth-quarter results that fell short of investor expectations, AppLovin tumbled nearly 20% on mixed quarterly results, and Western Digital shed 13% after issuing a disappointing first-quarter forecast despite topping estimates for the quarter just reported. Cboe's JJ Kinahan attributed the pullback in part to profit-taking following an active earnings season, noting that strong profits and sales don't always lift share prices when paired with soft guidance, and pointed out that both Sandisk and Western Digital have posted extraordinary 12-month gains — Sandisk up almost 3,000% and Western Digital up more than 500% — leaving room for a pullback.

European Markets

European markets closed mixed on Thursday as investors digested stronger-than-expected U.S. labor productivity data and continued monitoring geopolitical developments surrounding the Strait of Hormuz. The pan-European **Stoxx 600** edged higher by **0.16%** to **658.19**, supported by gains in industrial and financial shares. Germany's **DAX Index** added **0.05%** to finish at **26,140.13**, extending its recent advance as investors remained optimistic about the region's economic outlook. In contrast, the U.K.'s **FTSE 100** slipped **0.19%** to **10,867.89**, weighed down by weakness in energy and commodity-related stocks. Overall, European investors remained cautious ahead of Friday's U.S. nonfarm payrolls report, which could influence expectations for both Federal Reserve policy and global interest-rate trends.

Energy Markets

Oil prices climbed Thursday as traders reassessed risk around the Strait of Hormuz following reports that a draft plan under review by Iran's parliament would bar U.S. and Israeli vessels from transiting the passageway, compounded by explosions heard off the coast of Oman near a tanker in transit. West Texas Intermediate crude rose about 2.8% to settle at $77.29 a barrel, while international Brent crude gained 3.8% to end at $82.48 per barrel. Even so, Iran and Oman appeared to move closer to a temporary agreement that would reopen the strait without fees or tolls on shipping, though questions remain over whether Iran would eventually be permitted to levy tolls on vessels using the corridor. Energy prices are expected to remain headline-driven until greater clarity emerges on the final shape of any agreement and on regional security more broadly.

Economic & Policy Outlook

A positive surprise came from second-quarter productivity data. Nonfarm business productivity increased at an annualized 1.4% pace, exceeding expectations and accelerating from the first quarter. At the same time, unit labor costs rose only 1.3%, suggesting wage-related inflation pressures remain well contained.

The combination of stronger productivity and moderate labor-cost growth provides encouraging evidence that the economy continues to expand without generating excessive inflationary pressures. Higher productivity allows businesses to increase output more efficiently, helping sustain corporate profitability while supporting real economic growth.

Attention now shifts to Friday's July employment report, which will likely become the week's most important catalyst for financial markets and could significantly influence expectations regarding the Federal Reserve's next policy decisions.

The Final Word

Today's economic data reinforced a narrative of resilience rather than overheating. Exceptionally low layoffs, improving productivity, and contained labor costs suggest the U.S. economy continues to grow at a sustainable pace, even as renewed volatility in oil prices tied to the Strait of Hormuz serves as a reminder that geopolitical risk remains an active swing factor for markets. If Friday's employment report confirms a balanced labor market, investors could gain additional confidence that the economy remains on course for continued expansion while giving the Federal Reserve greater flexibility in its monetary policy decisions.

GDPNow Update:

- The GDPNow for the third quarter of 2026 fell to 5.80%, from 5.90%, a decrease of 1.69%.

Economic Data:

- **US Productivity:** rose to 1.40%, compared to 0.80% last quarter.
- **US Initial Claims for Unemployment Insurance:** rose to 199,000, up from 198,000 last week, a change of 0.51%.
- **US Wholesale Inventories MoM:** fell to 0.17%, compared to 0.26% last month.
- **30-Year Mortgage Rate:** rose to 6.69%, compared to 6.66% last week.

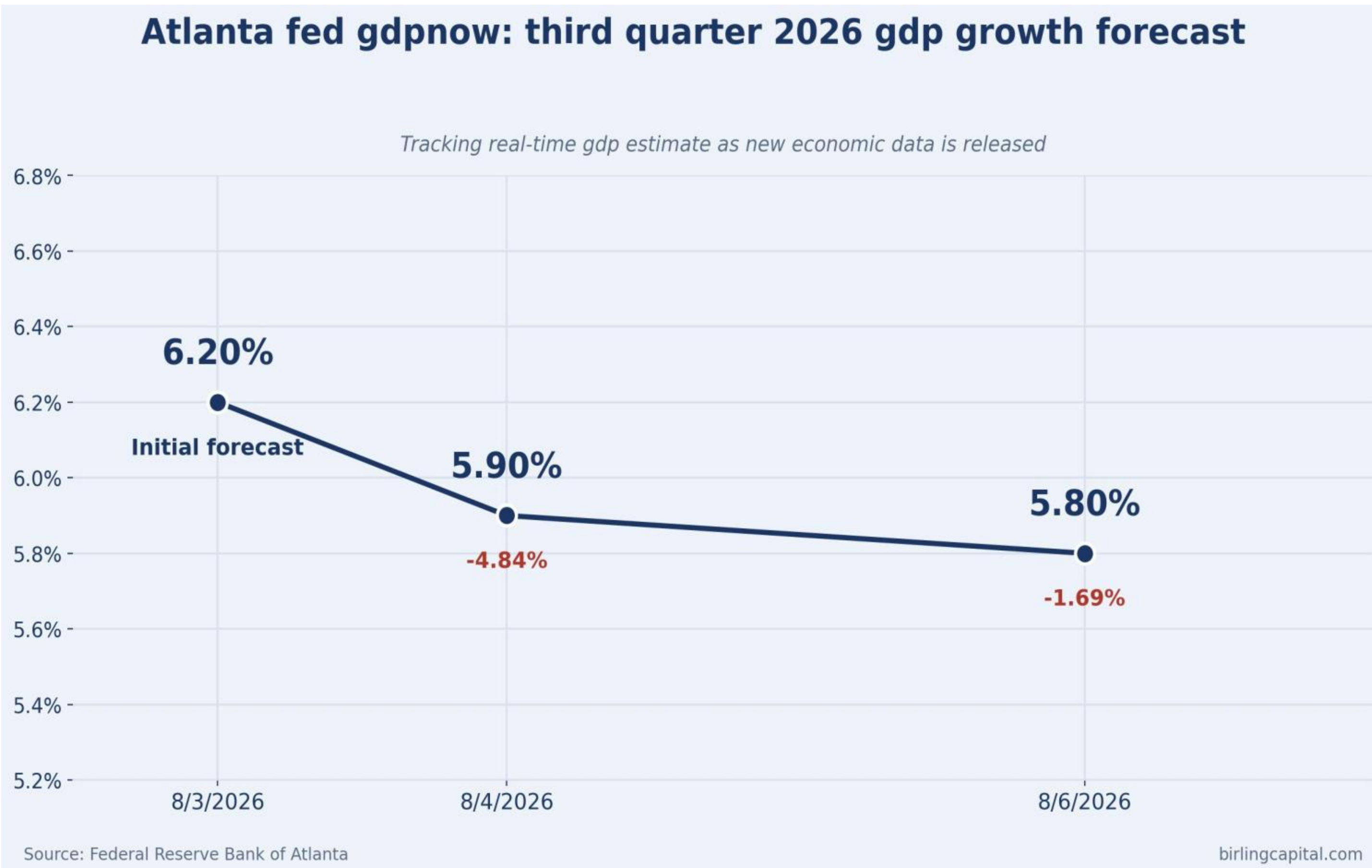
Eurozone Summary:

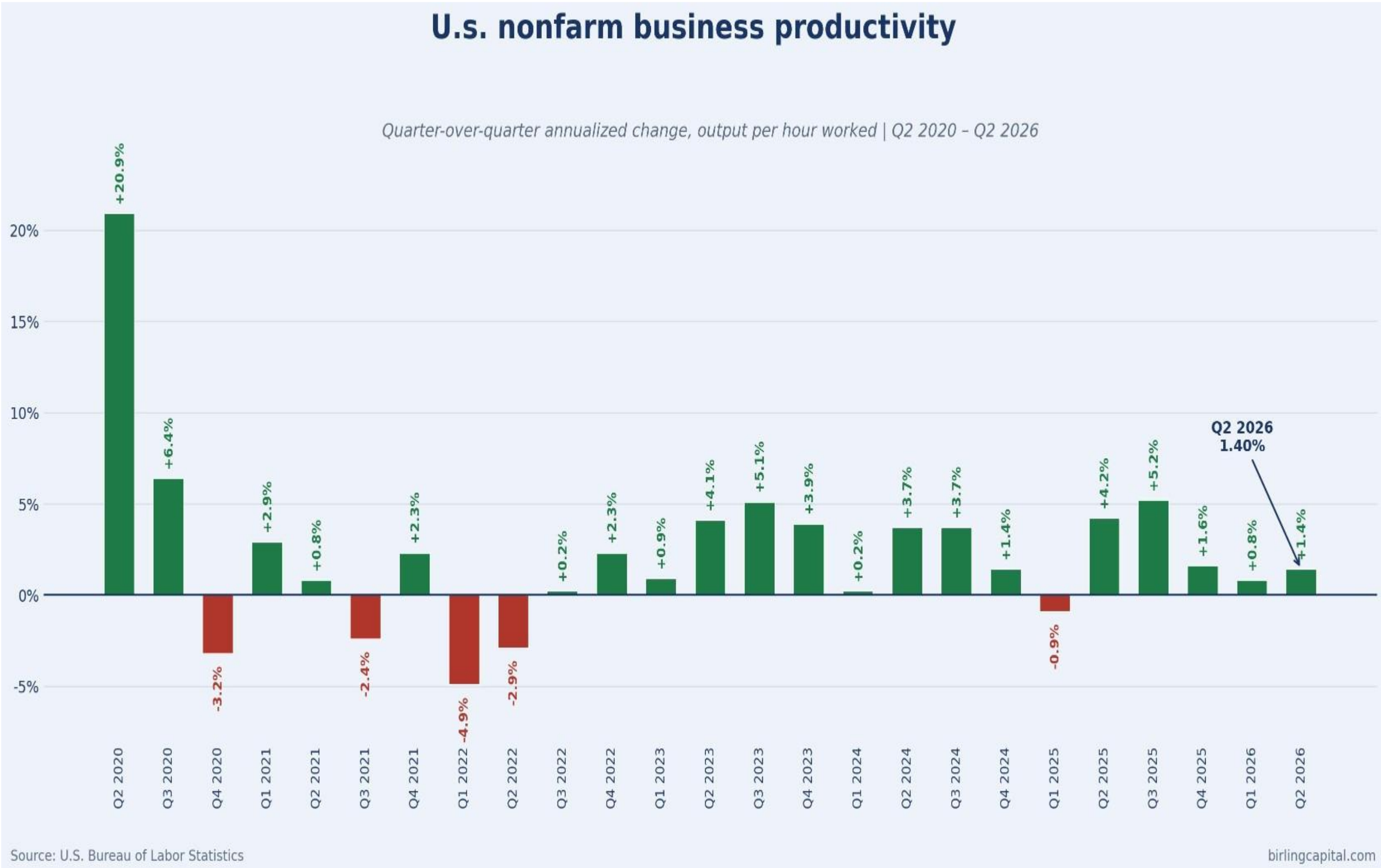
- **Stoxx 600:** closed at 658.19, up 1.05 points or 0.16%.
- **FTSE 100:** closed at 10,867.89, down 20.41 points or 0.19%.
- **DAX Index:** closed at 26,140.13, up 13.83 points or 0.05%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 53,885.10, down 464.02 points or 0.85%
- **S&P 500:** closed at 7,709.96, down 13.59 points or 0.18%
- **Nasdaq Composite:** closed at 26,348.35, down 15.08 points or 0.06%

- **Birling Capital Puerto Rico Stock Index:** closed at 5,220.41, down 43.23 points or 0.82%
- **Birling Capital U.S. Bank Index:** closed at 10,595.39, up 65.86 points or 0.63%
- **U.S. Treasury 10-year note:** closed at 4.69%.
- **U.S. Treasury 2-year note:** closed at 4.25%.





U.s. nonfarm business productivity
Quarter-over-quarter annualized change, output per hour worked | Q2 2020 – Q2 2026
20%
15%
10%
5%
0%
-5%
+20.9%
+6.4%
-3.2%
+2.9%
+0.8%
-2.4%
+2.3%
-4.9%
-2.9%
+0.2%
+2.3%
+0.9%
+4.1%
+5.1%
+3.9%
+0.2%
+3.7%
+3.7%
+1.4%
-0.9%
+4.2%
+5.2%
+1.6%
+0.8%
+1.4%
Q2 2026
1.40%
Q2 2020
Q3 2020
Q4 2020
Q1 2021
Q2 2021
Q3 2021
Q4 2021
Q1 2022
Q2 2022
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Q3 2023
Q4 2023
Q1 2024
Q2 2024
Q3 2024
Q4 2024
Q1 2025
Q2 2025
Q3 2025
Q4 2025
Q1 2026
Q2 2026
Source: U.S. Bureau of Labor Statistics
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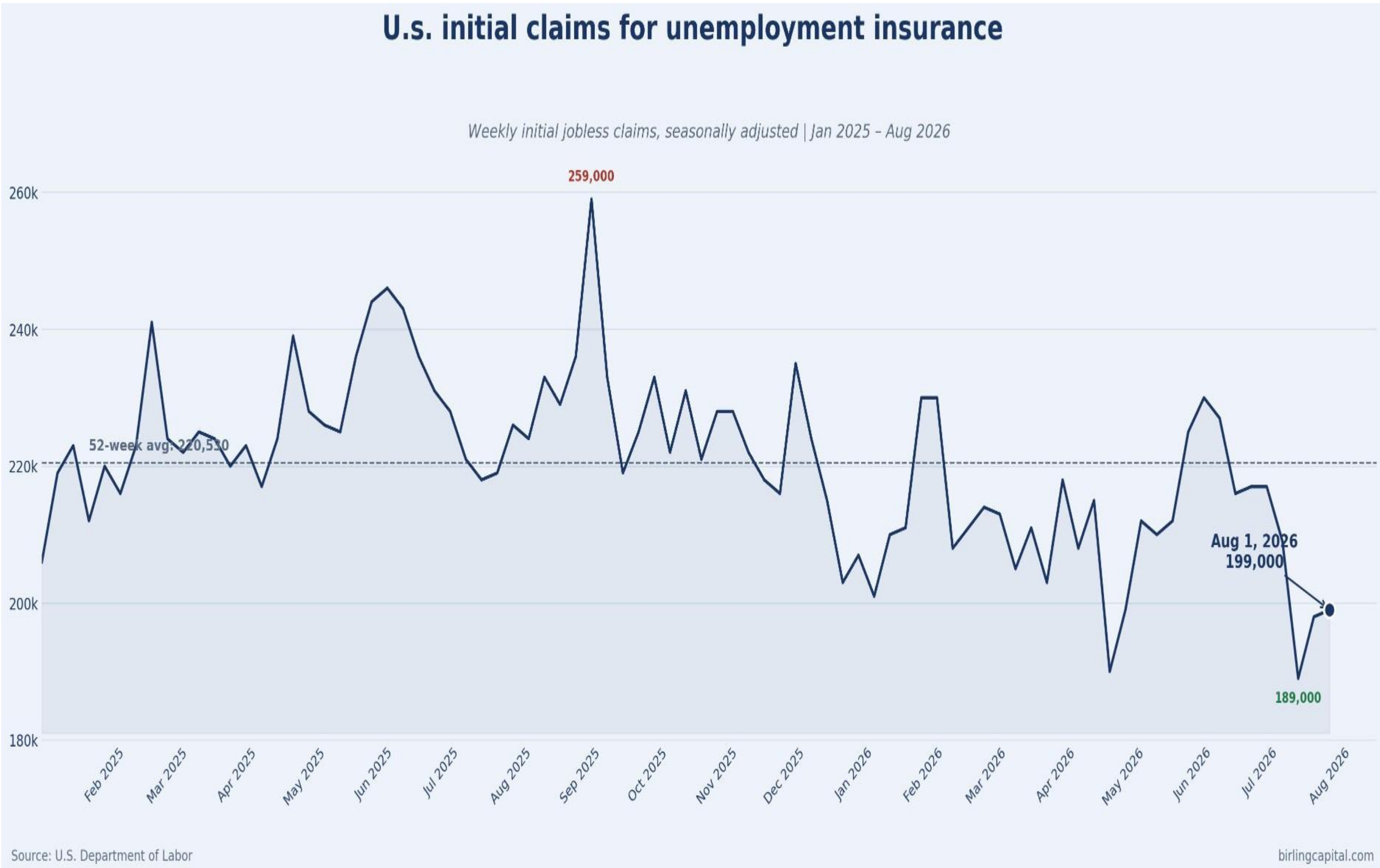
U.s. initial claims for unemployment insurance
Weekly initial jobless claims, seasonally adjusted | Jan 2025 – Aug 2026
259,000
260k
240k
220k
200k
180k
52-week avg: 220,510
Aug 1, 2026
199,000
189,000
Feb 2025
Mar 2025
Apr 2025
May 2025
Jun 2025
Jul 2025
Aug 2025
Sep 2025
Oct 2025
Nov 2025
Dec 2025
Jan 2026
Feb 2026
Mar 2026
Apr 2026
May 2026
Jun 2026
Jul 2026
Aug 2026
Source: U.S. Department of Labor
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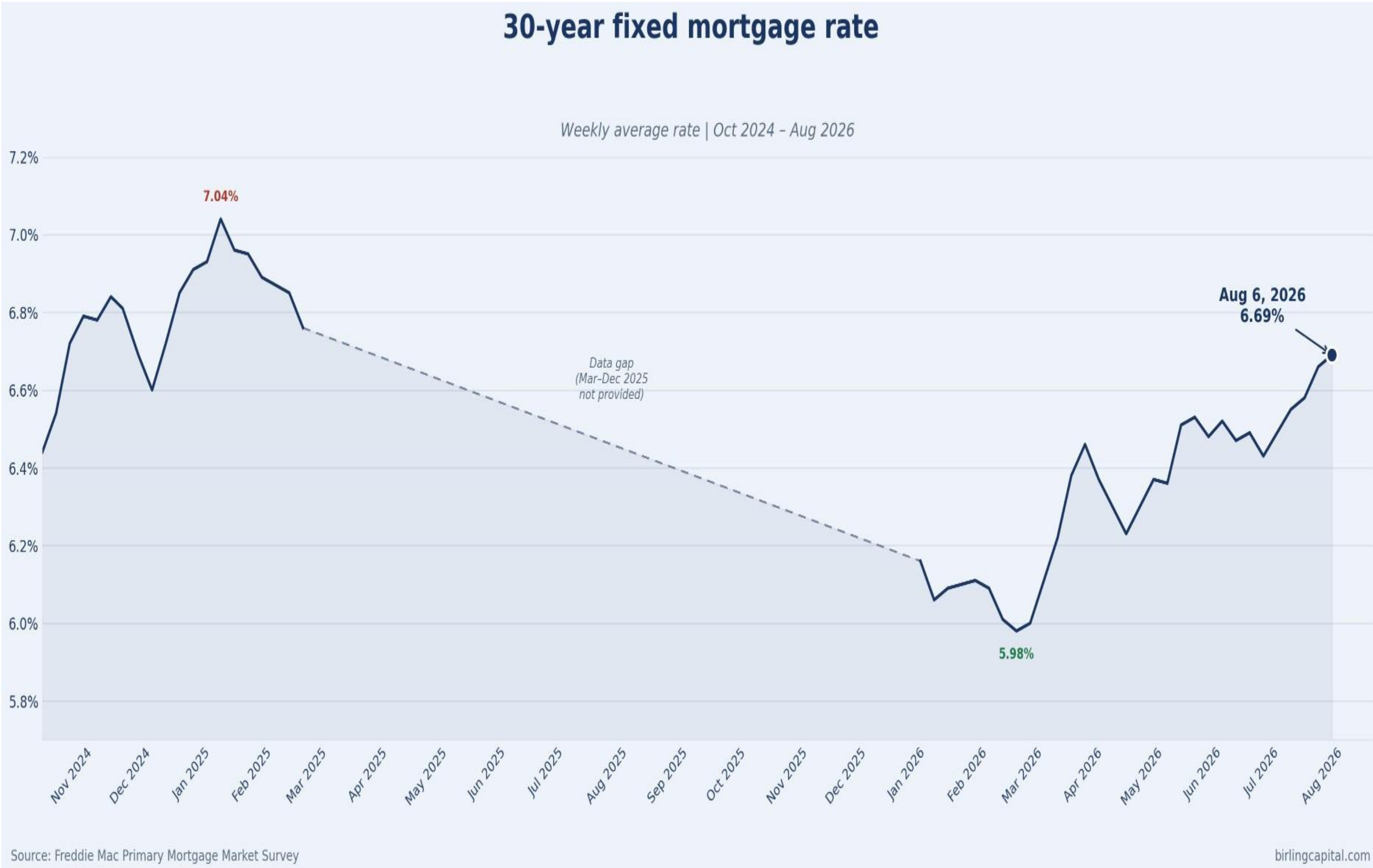
30-year fixed mortgage rate
Weekly average rate | Oct 2024 – Aug 2026
7.2%
7.0%
6.8%
6.6%
6.4%
6.2%
6.0%
5.8%
7.04%
Data gap
(Mar–Dec 2025
not provided)
5.98%
Aug 6, 2026
6.69%
Nov 2024
Dec 2024
Jan 2025
Feb 2025
Mar 2025
Apr 2025
May 2025
Jun 2025
Jul 2025
Aug 2025
Sep 2025
Oct 2025
Nov 2025
Dec 2025
Jan 2026
Feb 2026
Mar 2026
Apr 2026
May 2026
Jun 2026
Jul 2026
Aug 2026
Source: Freddie Mac Primary Mortgage Market Survey
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Eurozone Markets Close

August 6, 2026

Stoxx 600	FTSE 100	DAX Index
Closing Price	Closing Price	Closing Price
658.19	10,867.89	26,140.13
▲ +1.05 pts	▼ -20.41 pts	▲ +13.83 pts
+0.16%	-0.19%	+0.05%

Source: Birling Capital Global Market Square *birlingcapital.com*

Wall Street and Birling Capital Indexes Close

Thursday, August 6, 2026

	Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital Puerto Rico Stock Index	Birling Capital U.S. Bank Index
Closing Price	53,885.10	7,709.96	26,348.35	5,220.41	10,595.39
Change	▼ -464.02	▼ -13.59	▼ -15.08	▼ -43.23	▲ +65.86
% Change	-0.85%	-0.18%	-0.06%	-0.82%	+0.63%

U.S. Treasury 10-Year Note	Spread	U.S. Treasury 2-Year Note
4.69%	0.44%	4.25%

Source: Bloomberg, FactSet, Birling Capital Research

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Wall Street Recap
August 6, 2026

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