



# Markets Open 2026 Firm as AI Optimism, Pro-Cyclical Rotation, and a Symbolic FTSE Milestone Set the Early Tone.

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The **U.S. and European stock markets closed mostly higher in the first trading session of 2026**, as early-year positioning, renewed enthusiasm around artificial intelligence, and selective pro-cyclical leadership supported risk appetite amid a light economic calendar.

Global equities opened the year on a firm footing — Asian markets set the tone overnight after new AI research from China highlighted more efficient model development, reinforcing optimism across the technology complex. Major indexes in Hong Kong, South Korea, Taiwan, and Singapore reached fresh highs. In the U.S., small- and mid-cap stocks outperformed, signaling a pro-cyclical rotation, though semiconductor gains were not sufficient to keep the Nasdaq in positive territory.

## European Markets Continue to Rise

European shares closed higher as technology-led gains — European equity markets finished the session higher, supported by strength in technology stocks and positive carryover momentum from 2025. Britain's FTSE 100 briefly crossed the symbolic 10,000-point threshold for the first time before paring gains, closing up 0.2% at 9,951. While the milestone marked a notable psychological achievement, investors remain focused on whether earnings and fundamentals can sustain levels above the round-number threshold.

## Corporate and policy news remained limited

The session was light on significant corporate developments and economic data. As previously announced, Berkshire Hathaway formally confirmed Greg Abel as its next Chief Executive Officer, succeeding Warren Buffett, a long-telegraphed leadership transition with minimal immediate market impact.

Commodities were mixed to start the year — Precious metals extended their recent strength, with silver building on momentum following a standout 2025 that pushed metals to new highs. Oil prices moved lower, continuing weakness after posting their steepest annual decline since 2020, as supply conditions remained ample and demand expectations were subdued.

## Macro backdrop remains constructive entering 2026

After a volatile but ultimately rewarding 2025, investor sentiment remains supported by expectations for steady economic growth, incremental monetary easing, and improving earnings visibility. With valuations elevated after multiple years of double-digit returns, market performance in 2026 is likely to depend more on earnings growth than on numerous expansions.

## Heavy economic calendar ahead

The coming week brings a full slate of data, including ISM manufacturing and services surveys, ADP private payrolls, JOLTS job openings, factory orders, productivity and unit labor costs, the employment report, and preliminary University of Michigan consumer sentiment and inflation

expectations. Recent labor data has shown mixed signals, with unemployment rising to 4.6% amid increased labor-force participation, suggesting gradual stabilization.

#### Economic Data:

- **U.S. ISM Manufacturing PMI:** fell to 48.20, down from 48.70 last month.
- **U.S. Construction Spending MoM:** rose to 0.21%, compared to 0.20% last month.

#### Eurozone Summary:

- **Stoxx 600:** closed at 596.15, 6.89 points or 1.17%.
- **FTSE 100:** closed at 9,951.14, up 19.76 or 0.20%.
- **DAX Index:** closed at 24,539.34, up 48.93 or 0.20%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 48,382.39, up 319.10 points or 0.66%.
- **S&P 500:** closed at 6,858.47, up 12.97 points or 0.19%.
- **Nasdaq Composite:** closed at 23,235.63, down 6.36 points or 0.03%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,965.18, down 17.78 points or 0.45%.
- **Birling Capital U.S. Bank Index:** closed at 9,153.35, down 61.28 points or 0.09%.
- **U.S. Treasury 10-year note:** closed at 4.19%.
- **U.S. Treasury 2-year note:** closed at 3.47%.



# U.S. ISM Manufacturing PMI & U.S. Construction Spending

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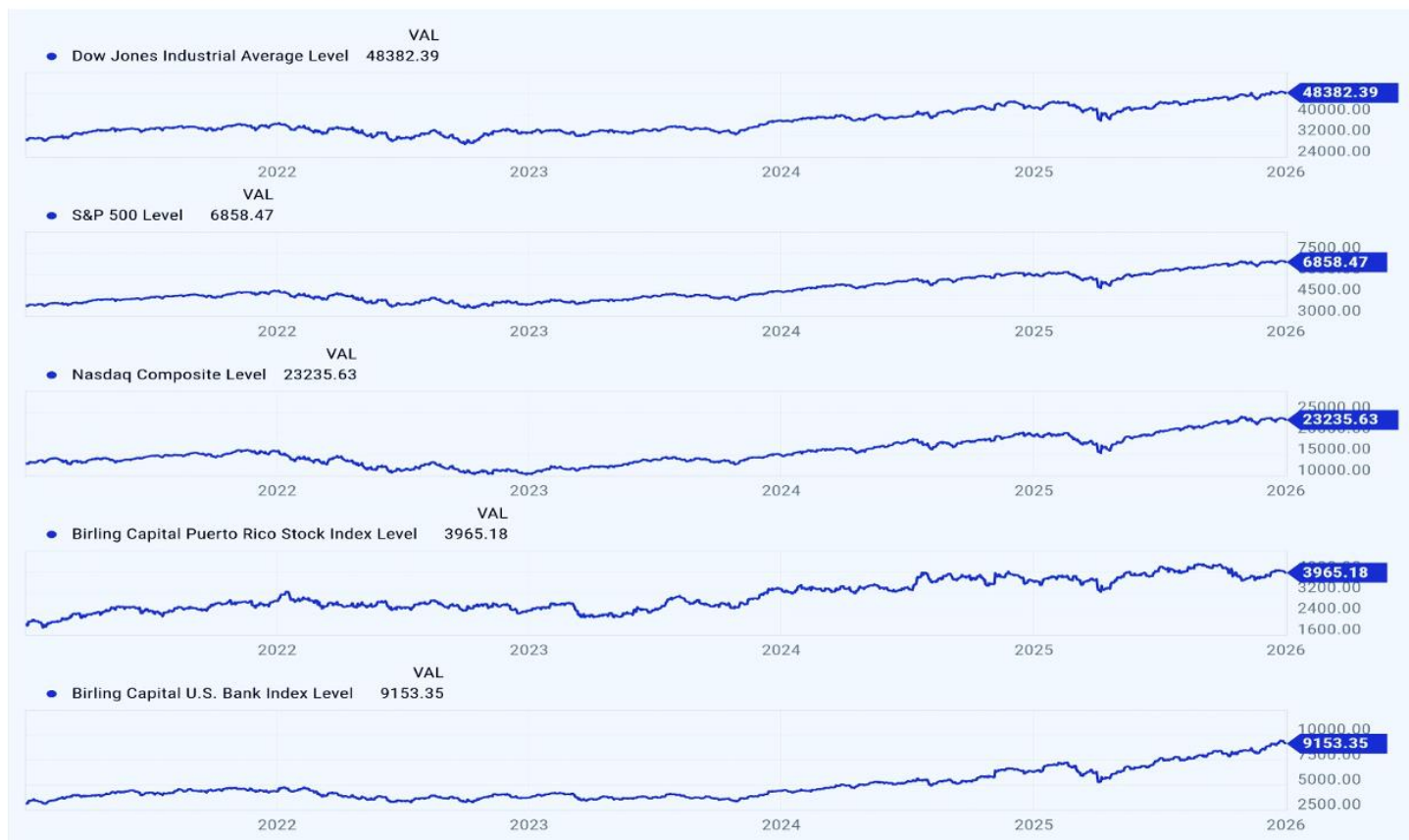


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