Markets Retreat as Hormuz Tensions Ignite Oil Rally, Semiconductor Selloff Deepens Ahead of Inflation and Earnings Week

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed mostly lower Monday as renewed geopolitical tensions in the Middle East triggered a sharp rally in crude oil prices, pressured technology shares, and prompted investors to reduce risk ahead of a pivotal week for inflation data and corporate earnings. Market sentiment deteriorated after President Donald Trump announced the reinstatement of a U.S. blockade targeting Iranian shipping through the Strait of Hormuz, raising concerns over global energy supplies and the potential for renewed inflationary pressure. The technology sector remained under pressure as semiconductor stocks extended their recent decline. In contrast, Treasury yields remained elevated as investors positioned for Tuesday's Consumer Price Index report, the official start of the second-quarter earnings season led by the nation's largest banks, and Federal Reserve Chairman Kevin Warsh's semiannual monetary policy testimony before Congress.

U.S. Markets

Wall Street finished broadly lower as rising oil prices, escalating geopolitical tensions, and another sharp selloff in semiconductor shares weighed on investor confidence. The **Dow Jones Industrial Average** declined **138.37 points, or 0.26%,** to close at **52,498.64**. The **S&P 500** lost **0.79%** to finish at **7,515.34**, while the **Nasdaq Composite** dropped **1.55%** to **25,873.18**, its weakest performance among the major indexes.

Technology stocks led the decline as investors continued reducing exposure to semiconductor companies following their exceptional gains over the past year. **SK Hynix**tumbled after its recent U.S. listing, dragging down the broader AI ecosystem. **Micron Technology,** SanDisk, **Seagate Technology, AMD,** and **Intel** all posted significant losses as investors questioned whether the pace of AI infrastructure spending can continue at current levels. Financial stocks also traded lower ahead of quarterly earnings from **JPMorgan Chase, Bank of America, Goldman Sachs, Citigroup, Wells Fargo,** and **Morgan Stanley**. At the same time, investors also prepared for earnings later this week from **Netflix, Johnson & Johnson,** and **UnitedHealth**.

Q2 2026 earnings calendar — Big Six banks

All six banks are members of the Birling Capital U.S. Bank Index.

Date	Bank	Time
14-Jul	JPMorgan Chase (JPM)	Before market open
14-Jul	Bank of America (BAC)	Before market open
14-Jul	Citigroup (C)	Before market open
14-Jul	Wells Fargo (WFC)	Before market open
14-Jul	Goldman Sachs (GS)	Before market open
15-Jul	Morgan Stanley (MS)	Before market open

European Markets

European markets opened the week on a cautious note as oil prices climbed following renewed military strikes between the US and Iran, with Tehran claiming the Strait of Hormuz had been closed and Washington disputing that claim. Energy shares outperformed on the firmer crude backdrop, led by gains in BP, Eni, TotalEnergies, and Repsol, while technology and industrial names faced selling pressure after South Korea's SK Hynix suffered its largest one-day decline on record, dragging down European peers ASML Holding and Infineon Technologies as investors reassessed the sustainability of AI-driven demand. Investors also remained focused on inflation trends and the outlook for central bank policy on both sides of the Atlantic, with no major European economic data due until Eurozone and UK GDP figures later this week. The three indexes we follow closed mixed: Stoxx 600, down 0.09 points; FTSE 100, up 1.00 points; and DAX Index, up 47.16 points.

Energy Markets

Energy markets recorded their strongest advance in weeks as escalating U.S.-Iran tensions reignited fears of supply disruptions through the Strait of Hormuz, one of the world's most critical energy chokepoints. **West Texas Intermediate (WTI) crude surged 9.4% to settle at $78.14 per barrel, while Brent crude climbed 9.6% to $83.30 per barrel**, marking their largest one-day gains in years. The sharp rally followed President Donald Trump's announcement of new measures targeting Iranian shipping and heightened concerns that the conflict could disrupt roughly one-fifth of global oil flows. The renewed surge in crude prices has revived inflation concerns ahead of Tuesday's CPI report and could complicate the Federal Reserve's policy outlook if elevated energy prices persist.

Economic & Policy Outlook

Inflation will dominate market attention as Tuesday's June CPI report is the week's key catalyst — the Inflation Nowcasting model points to headline CPI at 3.92% and core at 2.85%, with PCE at 3.88% and core PCE at 3.43%, all still above the Fed's 2% target. That data will shape whether markets see room for rate cuts even as growth holds up.

Markets are closely watching whether higher energy prices begin reversing recent progress toward the Federal Reserve's inflation objective.

At the same time, the second-quarter earnings season begins with the major U.S. banks. Consensus estimates call for approximately **22% year-over-year earnings growth** for the S&P 500, led by continued strength in technology and energy. Full-year earnings growth is projected near **24%**, reflecting ongoing corporate resilience despite higher interest rates and geopolitical uncertainty.

The Final Word

This week could prove pivotal for financial markets. Inflation data will shape expectations for Federal Reserve policy, while the largest U.S. banks will offer the first meaningful insight into corporate America during the second quarter. Although short-term volatility remains elevated, the combination of solid economic fundamentals, resilient earnings expectations, and continued AI-driven investment supports a constructive long-term outlook for equities.

Economic Data:

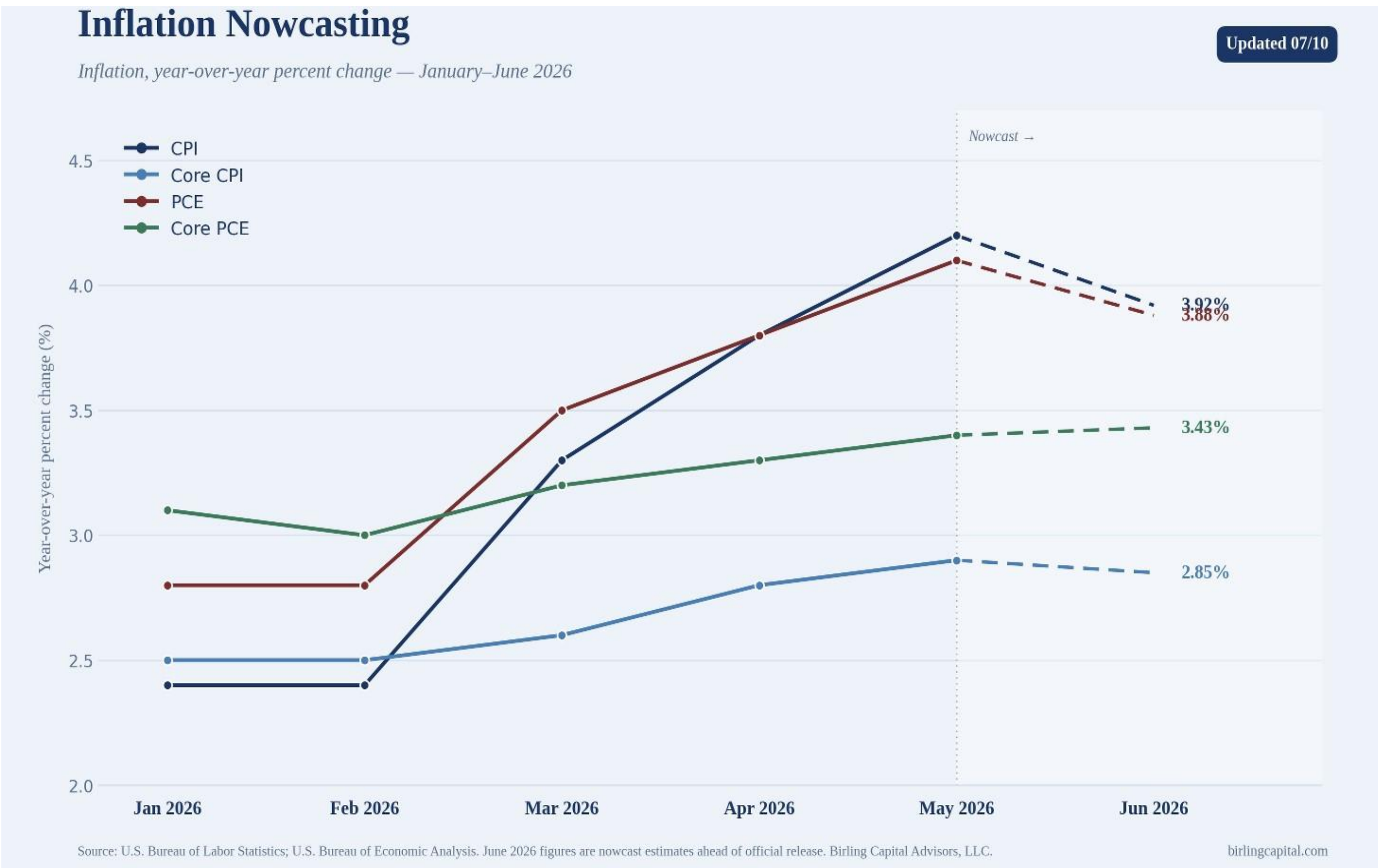
- **Japan Industrial Production Index MoM:** is unchanged at 0.49%, compared to 0.49%.

Eurozone Summary:

- **Stoxx 600:** closed at 641.01, down 0.09 points or 0.01%.
- **FTSE 100:** closed at 10,498.29, up 1.00 points or 0.01%.
- **DAX Index:** closed at 25,114.25, up 47.16 points or 0.19%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,498.64, down 138.37 points or 0.26%.
- **S&P 500:** closed at 7,515.34, down 60.05 points or 0.79%.
- **Nasdaq Composite:** closed at 25,873.18, down 408.43 points or 1.55%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,884.01, up 21.62 points or 0.44%.
- **Birling Capital U.S. Bank Index:** closed at 10,373.47, up 36.73 points or 0.36%.
- **U.S. Treasury 10-year note:** closed at 4.62%.
- **U.S. Treasury 2-year note:** closed at 4.26%.



European Markets Close

Monday, July 13, 2026

Stoxx 600	FTSE 100	DAX Index
641.01	10,498.29	25,114.25
▼ 0.09 pts (0.01%)	▲ 1.00 pts (0.01%)	▲ 47.16 pts (0.19%)
Closed lower	Closed higher	Closed higher

Source: Birling Capital Advisors, LLC — Global Market Square™

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Wall Street and Birling Capital Indexes Close

Market close summary — July 13, 2026

	Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital Puerto Rico Stock Index	Birling Capital U.S. Bank Index
Closing Price	52,498.64	7,515.34	25,873.17	4,884.01	10,373.47
	▼ -138.37 pts	▼ -60.05 pts	▼ -408.43 pts	▲ +21.62 pts	▲ +36.73 pts
	-0.26%	-0.79%	-1.55%	+0.44%	+0.36%

U.S. Treasury 10-Year Note		U.S. Treasury 2-Year Note
4.62%	Spread 36 bps	4.26%

Source: NYSE, Nasdaq, Birling Capital Advisors

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Wall Street Recap

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