Markets Closed Higher as Amazon Soared on AI-Driven Earnings; Dow Posted a Fourth Consecutive Monthly Gain Despite Rising Treasury Yields

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by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed higher Friday, ending July on a positive note as investors looked beyond sharply higher Treasury yields and focused on another strong round of technology earnings. Amazon surged after delivering outstanding results driven by accelerating cloud and artificial intelligence demand. At the same time, Apple declined despite beating earnings expectations as investors reacted to weaker services revenue and cautious forward commentary.

The Dow Jones Industrial Average recorded its fourth consecutive monthly gain, underscoring the market's resilience despite the Federal Reserve's hawkish stance, elevated bond yields, and persistent geopolitical risks. Treasury yields climbed to multi-month highs, with the 10-year U.S. Treasury yield moving above 4.70% and the 30-year bond reaching its highest level since 2007.

U.S. Markets

Wall Street extended Thursday's powerful rebound, with all three major indexes closing higher as investors continued to reward companies demonstrating tangible returns from artificial intelligence investments. The Dow Jones Industrial Average gained **276.97 points (0.53%)** to finish at **52,485.03**, the **S&P 500 rose 0.70% to 7,489.72**, and the **Nasdaq Composite advanced 1.00% to 25,373.85**, capping a volatile but positive week.

Amazon was the clear market leader, soaring **15%** after reporting stronger-than-expected second-quarter revenue and earnings. The company's results were fueled by exceptional performance at Amazon Web Services, where AI-driven cloud demand accelerated revenue growth, reinforcing investor confidence that hyperscalers continue to monetize massive investments in artificial intelligence infrastructure.

Apple, however, fell more than **7%** despite surpassing quarterly earnings and revenue expectations. Investors focused instead on weaker-than-expected services revenue and management's cautious outlook, offsetting strong iPhone sales and highlighting the market's increasingly selective approach toward large-cap technology companies.

Treasury yields remained the principal macroeconomic headwind. The benchmark 10-year Treasury yield closed at **4.75%**, its highest level since January 2025, while the 30-year Treasury yield climbed to **5.27%**, its highest level since 2007. Investors continued to reassess the Federal Reserve's commitment to containing inflation following Chair Kevin Warsh's comments earlier in the week, contributing to renewed pressure on bond prices.

Despite elevated yields, equity markets demonstrated remarkable resilience. The Dow and S&P 500 each gained approximately **1%** for the week, while the Nasdaq advanced roughly **1.6%**. For July, the Dow finished **0.3%** higher, marking its **fourth consecutive monthly gain**, while the S&P 500 slipped **0.1%** and the Nasdaq declined **3.2%**, reflecting continued sector rotation away from some high-growth technology stocks even as AI leaders continued to outperform.

European Markets
European markets ended mixed Friday, closing out the week with relatively modest moves as investors assessed another busy round of corporate earnings, evolving central bank expectations, and the latest U.S. economic data. While Germany's DAX managed to post a slight gain, broader regional indices edged lower as profit-taking emerged following a strong July rally.

Energy Markets
Oil prices traded modestly lower as investors weighed strong global demand against expectations of adequate supply and continued diplomatic developments in the Middle East. While geopolitical risks remain elevated, crude prices have stabilized after recent volatility, helping ease immediate inflation concerns. Energy markets continue to monitor shipping activity through key regional trade routes and any changes in OPEC+ production policy.

Economic & Policy Outlook
With July ending, investor attention is shifting toward August, a month that has historically produced more subdued equity returns than the rest of the calendar year. Although seasonal trends often bring increased volatility, market fundamentals remain supportive. Corporate earnings continue to exceed expectations, economic activity remains resilient, consumer spending has held steady, and labor-market conditions continue to support expansion.

Meanwhile, the Federal Reserve's recent hawkish pause has reinforced expectations that policymakers will keep interest rates elevated until inflation shows more convincing progress toward the target. Markets will closely monitor upcoming employment, inflation, and manufacturing data for additional clues regarding the timing of any future policy adjustments.

The Final Word
The market continues to be driven by one defining theme: companies capable of converting artificial intelligence investment into sustainable earnings growth are commanding premium valuations. As earnings season draws to a close, investors enter August with healthy corporate fundamentals, resilient economic growth, and elevated interest rates shaping the investment landscape. While seasonal volatility may increase in the weeks ahead, long-term fundamentals continue to favor disciplined exposure to high-quality equities, particularly technology leaders and companies positioned to benefit from the ongoing expansion of AI infrastructure.

Corporate Earnings Parade:

1. **AbbVie (ABBV):** reported earnings for the second quarter of 2026 with revenues of $16,990 billion, up 10.20%, with Net Income of $3,613 billion, up 285.13%, and Earnings Per Share of $2.03. Abbie has a Stock Price Target of $268.68. **Check our report:** ABBV Overview

Economic Data:

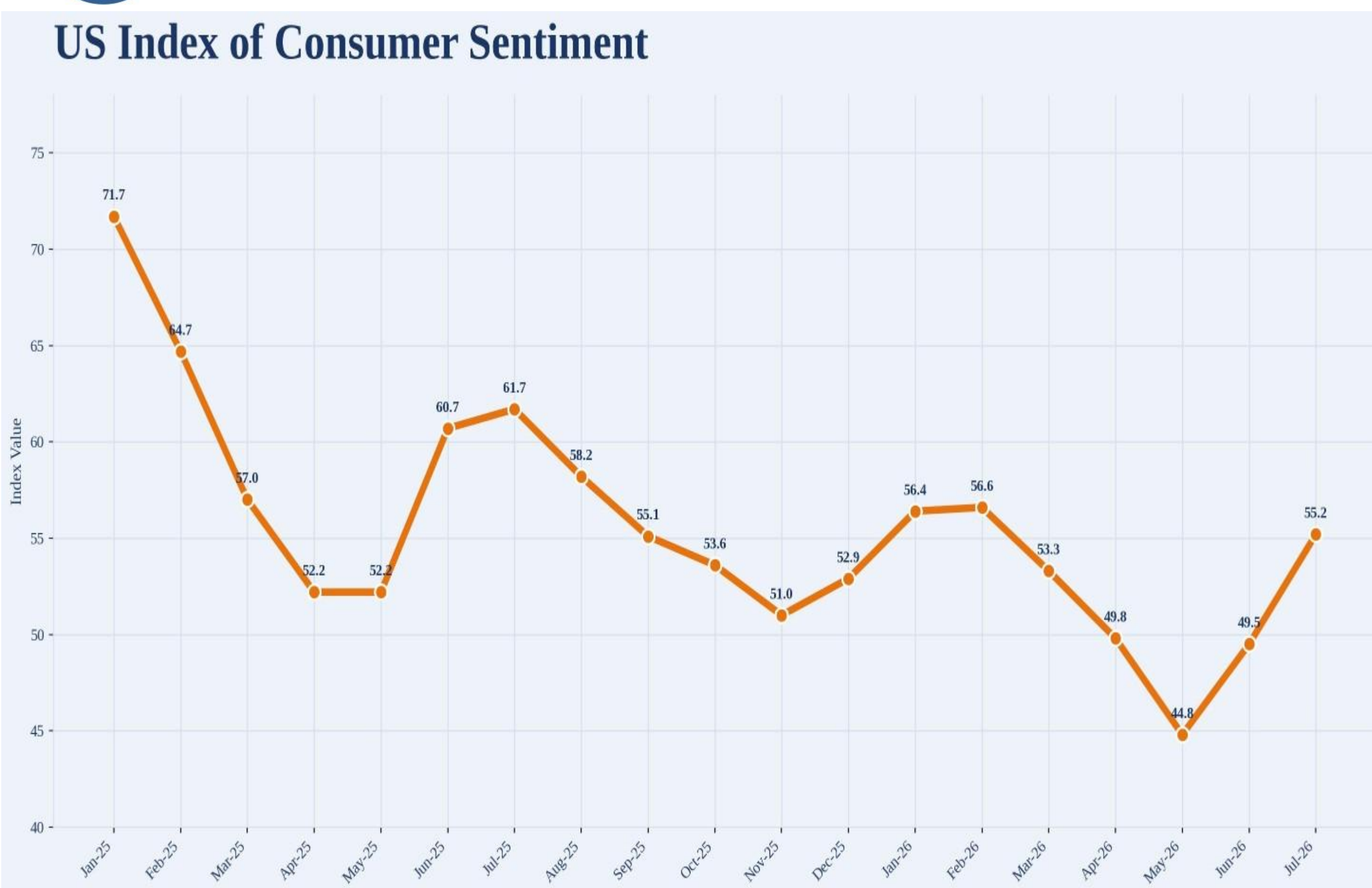
- **US Index of Consumer Sentiment:** rose to 55.20, up from 49.50 last month, a change of 11.52%.
- **US Employment Cost Index QoQ:** is unchanged at 0.90%, compared to 0.90% last quarter.
- **Canada Real GDP MoM:** fell to 0.34%, compared to 0.58% last month.
- **Japan Unemployment Rate:** is unchanged at 2.50%, compared to 2.50% last month.
- **Japan Housing Starts YoY:** fell by 18.56%, compared to 33.86% last month.

Eurozone Summary:

- **Stoxx 600:** closed at 649.19, down 0.16 points or 0.12%.
- **FTSE 100:** closed at 10,868.05, down 29.22 points or 0.27%.
- **DAX Index:** closed at 25,629.24, up 17.21 points or 0.07%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,485.03, up 276.97 points or 0.53%
- **S&P 500:** closed at 7,489.72, up 52.09 points or 0.70%
- **Nasdaq Composite:** closed at 25,373.85, up 251.67 points or 1.00%
- **Birling Capital Puerto Rico Stock Index:** closed at 5,181.00, up 11.00 points or 0.21%
- **Birling Capital U.S. Bank Index:** closed at 10,224.68, up 270.92 points or 2.72%
- **U.S. Treasury 10-year note:** closed at 4.75%
- **U.S. Treasury 2-year note:** closed at 4.28%



Eurozone markets close

July 31, 2026

Stoxx 600	FTSE 100	DAX Index
649.19	10,868.05	25,629.24
▼ 0.16 pts (0.12%)	▼ 29.22 pts (0.27%)	▲ 17.21 pts (0.07%)

Birling Capital Global Market Square

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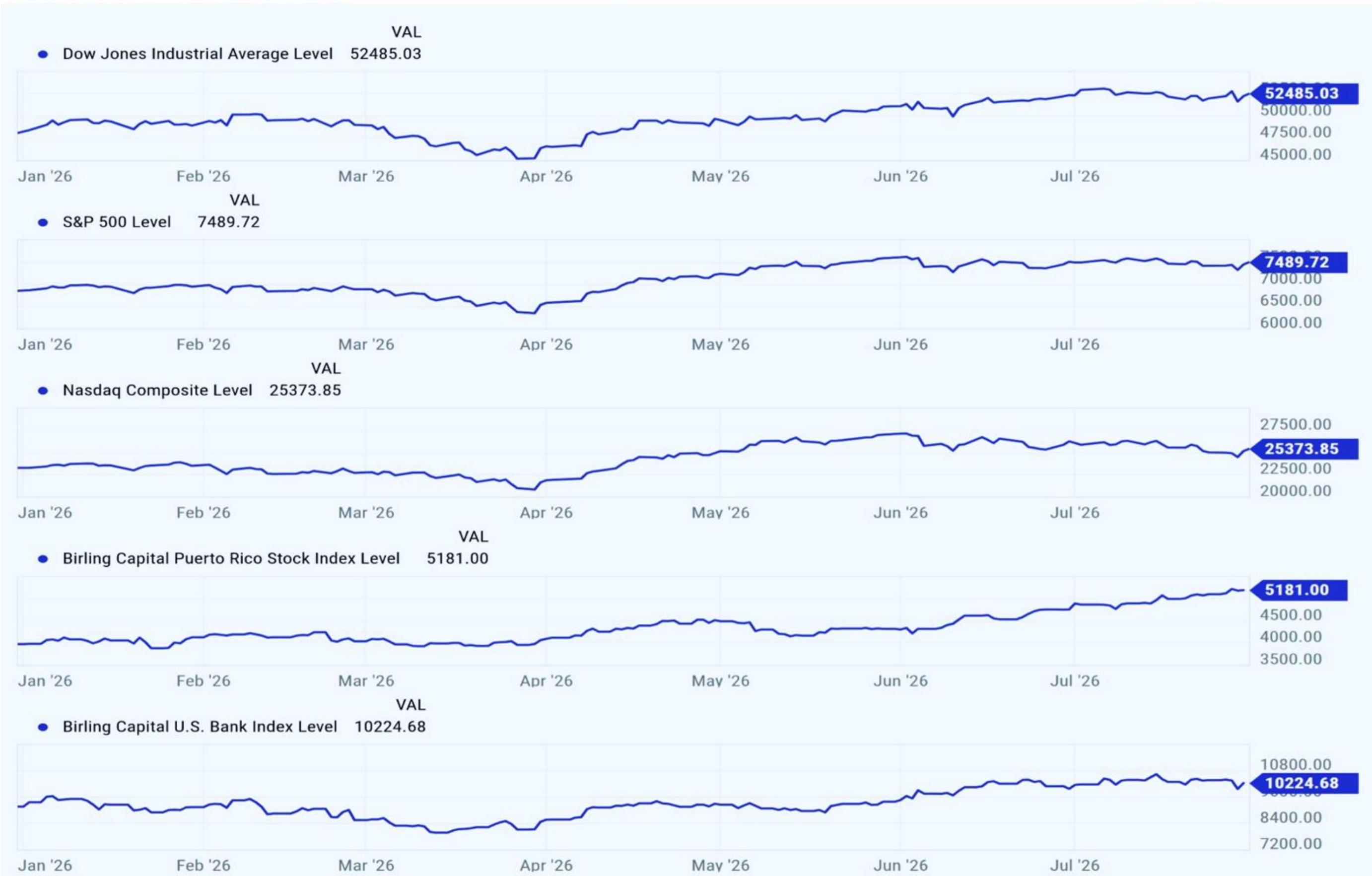
Wall Street and Birling Capital Indexes Close

July 31, 2026

Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital Puerto Rico Stock Index	Birling Capital U.S. Bank Index
52,485.03	7,489.72	25,373.85	5,181.00	10,224.68
+276.97 pts	+52.09 pts	+251.67 pts	+11.00 pts	+270.92 pts
+0.53%	+0.70%	+1.00%	+0.21%	+2.72%

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
4.75%	4.28%



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VAL
Nasdaq Composite Level 25373.85
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Jan '26
Feb '26
Mar '26
Apr '26
May '26
Jun '26
Jul '26