

Technology Rout Deepens as Semiconductor Stocks Lead Global Selloff While Dow Demonstrates Relative Resilience

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The U.S. and European stock markets closed with losses as a sharp global technology selloff intensified, triggering significant losses across semiconductor, artificial intelligence, and high-growth technology shares. The retreat began in Asia, where South Korea's technology-heavy market suffered one of its steepest declines in years, before spreading across Europe and ultimately weighing heavily on Wall Street.

The selling pressure was concentrated in semiconductor and memory-chip companies that have been among the market's strongest performers since March. Investors appeared to be locking in profits after an extraordinary rally fueled by artificial intelligence spending, easing geopolitical concerns, and improving economic conditions. While the technology sector absorbed substantial losses, the broader market showed signs of resilience as investors rotated into defensive sectors, healthcare, consumer staples, and select industrial companies.

Lower Treasury yields and declining energy prices helped limit broader market weakness, reinforcing the view that inflation pressures continue to moderate. Although the technology correction was severe, market participants largely viewed the move as a healthy consolidation following a historic advance that pushed both the Nasdaq and semiconductor shares to record levels earlier this month.

U.S. Markets

Wall Street experienced a significant rout in technology stocks and less so in the broader market. The S&P 500 fell 1.44% to close at 7,365.46, while the Nasdaq Composite declined 2.21% to 25,587.04 as semiconductor shares led a widespread technology retreat. The Dow Jones Industrial Average demonstrated notable resilience, slipping only 45.87 points, or 0.09%, to finish at 51,666.84.

The selloff was centered in semiconductor and memory-chip manufacturers. Shares of Micron Technology plunged 13%, while Intel declined 6%. Advanced Micro Devices lost nearly 6%, and Qualcomm fell approximately 8%. The technology sector's weakness pushed the Technology Select Sector SPDR ETF lower by 4%, while the semiconductor-focused VanEck Semiconductor ETF dropped 7%.

Despite the sharp declines among chipmakers, several large-cap companies helped stabilize the broader market. Shares of International Business Machines surged 5% following a favorable analyst upgrade, while defensive names including Walmart, Procter & Gamble, and Johnson & Johnson attracted investor inflows.

Additional support came from gains in Sherwin-Williams and Merck & Co.

The market's recent leadership continued to face pressure as investors reassessed crowded positions within the artificial intelligence trade. While concerns surrounding technology valuations contributed to the selloff, many analysts viewed the decline as a normal correction within a broader bull market supported by strong earnings growth, resilient economic activity, and continued corporate

investment in AI infrastructure. The rotation toward defensive and value-oriented sectors may signal a broadening of market leadership rather than a deterioration in the overall investment outlook.

European Markets

European equities are lower in Tuesday trading, with the Stoxx 600 at 634.63, down 4.64 points or 0.73%, the FTSE 100 at 10,428.85, down 9.00 points or 0.08%, and the DAX at 24,893.58, down 246.11 points or 0.98% — a pullback from Monday's broad-based gains as the prior session's Middle East de-escalation relief fades and the Fed's hawkish pivot, along with a firm dollar, reasserts itself as the dominant headwind. The DAX led declines by a wide margin, with its 0.98% drop underscoring German exporters' acute sensitivity to a stronger dollar and tighter U.S. rate expectations, which raise the relative cost of capital and complicate pricing for cyclical, trade-exposed names. The Stoxx 600's 0.73% decline confirms the pullback is broad rather than concentrated in one market, while the FTSE 100's far smaller 0.08% loss stands out as the notable exception — its heavier weighting toward energy, commodities, and dollar-earnings multinationals is acting as a partial offset against a backdrop that is otherwise risk-negative for the region.

The dollar remains firm near 2026 highs against the euro, a function of the widening policy gap between the Fed's now-hawkish stance and the ECB's still-easing posture. That divergence, which equities were willing to look past on Monday's de-escalation optimism, is back in the foreground today: a stronger dollar and a relatively dovish ECB squeeze European exporters' competitiveness and raise the cost of dollar-denominated inputs, and with the geopolitical relief trade losing some momentum, markets are reverting to pricing that policy gap more directly. The key question going forward is whether this is a one-day reassertion of the rate-and-currency headwind or the start of a more sustained repricing — something that will likely hinge on incoming Fed commentary and whether the ECB shows any signs of narrowing its easing bias.

Energy Markets

Energy markets extended their recent decline as crude oil prices continued to retreat. West Texas Intermediate crude traded near \$73 per barrel, reflecting reduced geopolitical risk premiums and expectations for adequate global supply.

The decline in oil prices is being closely watched by investors because lower energy costs could support consumer spending, reduce transportation and manufacturing costs, and contribute to a more favorable inflation outlook.

If crude prices remain near current levels, inflation readings could continue to moderate through the summer months, improving the overall economic backdrop for both consumers and businesses.

Economic & Policy Outlook

Treasury yields moved modestly lower as investors sought safety amid the sharp technology-led market selloff. The 10-year Treasury yield ended near 4.50%, while the 2-year Treasury yield traded around 4.21%, reflecting growing expectations that the Federal Reserve could maintain a restrictive policy stance for longer than previously anticipated.

Recent economic data continue to support the view that the U.S. economy remains resilient. Labor market conditions remain healthy, consumer spending continues to expand, and business activity has stabilized despite elevated interest rates. At the same time, inflation remains above the Federal Reserve's target, reinforcing expectations that policymakers will remain cautious regarding future rate decisions.

While market volatility has increased following the powerful rally that began in March, the combination of solid economic growth, healthy corporate earnings, and lower energy prices continues to provide support for the broader market outlook.

The Final Word: Market Perspective

The current pullback appears to be more of a valuation reset than a fundamental change in the market's long-term trajectory. After months of exceptional gains led by artificial intelligence and semiconductor stocks, investors are reassessing risk as higher interest rates and a more cautious Federal Reserve outlook pressure technology valuations.

Despite the near-term weakness, the broader investment backdrop remains constructive. Economic growth continues to exceed expectations, corporate earnings remain solid, inflation pressures have moderated from their peaks, and energy prices remain well below recent highs. The next phase of the bull market may be characterized by broader sector participation, with financials, industrials, healthcare, and other cyclical sectors playing a larger leadership role alongside technology. For long-term investors, periods of consolidation often create opportunities rather than signal the end of the market advance.

Economic Data:

- **US Retail Gas Price:** fell to \$4.187, down from \$4.281 last week. a change of -2.20%.
- **Richmond Fed Manufacturing Index:** fell to 4.00, down from 13.00 last month, a change of -69.23%.

Eurozone Summary:

- **Stoxx 600:** closed at 634.63, down 4.64 points or 0.73%.
- **FTSE 100:** closed at 10,428.85, down 9.00 points or 0.08%.
- **DAX Index:** closed at 24,893.58, down 246.11 points or 0.98%.

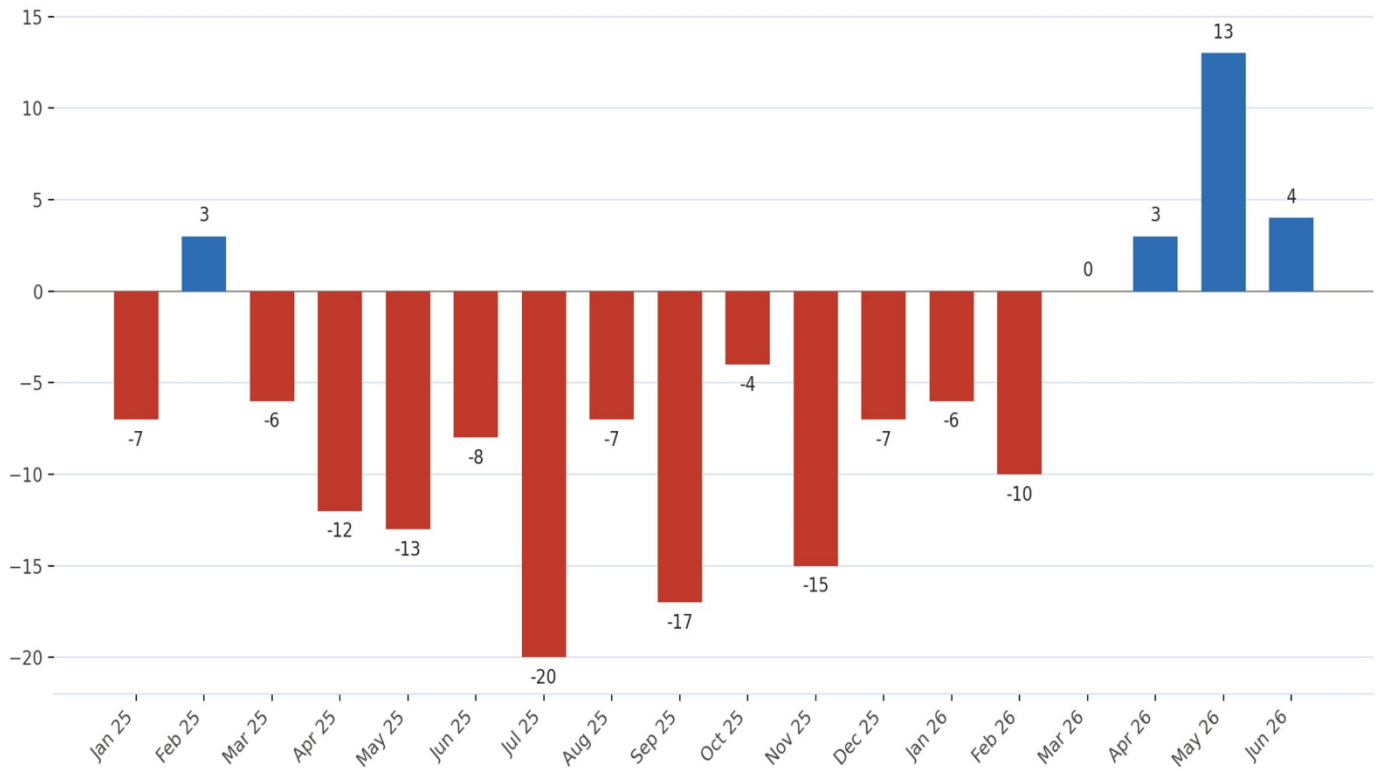
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 51,666.84, down 45.89 points or 0.09%.
- **S&P 500:** closed at 7,365.46, down 107.33 points or 1.44%.
- **Nasdaq Composite:** closed at 25,587.04, down 579.56 points or 2.22%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,575.42, up 49.50 points or 1.09%.
- **Birling Capital U.S. Bank Index:** closed at 10,372.88, up 178.19 points or 1.75%.
- **U.S. Treasury 10-year note:** closed at 4.50%.
- **U.S. Treasury 2-year note:** closed at 4.16%.

US Retail Gas Price; WTI Crude Oil Spot Price & Brent Crude Oil Spot Price



Richmond Fed Manufacturing Index



US retail gasoline price



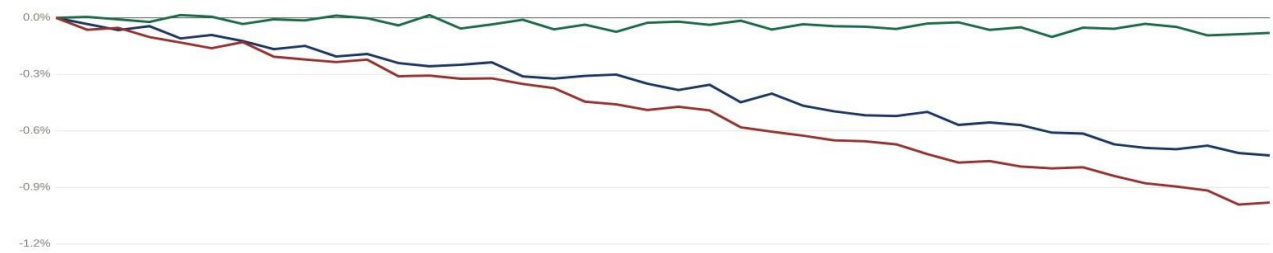
Eurozone Markets Close

6/23/26

Stoxx 600	FTSE 100	DAX Index
CLOSING PRICE 634.63	CLOSING PRICE 10,428.85	CLOSING PRICE 24,893.58
▼ -4.64 -0.73%	▼ -9.00 -0.08%	▼ -246.11 -0.98%

INTRADAY PERFORMANCE — % CHANGE FROM OPEN

— Stoxx 600 — FTSE 100 — DAX Index



EUROPEAN MARKETS

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Source: Bloomberg. Intraday path illustrative.

Wall Street Markets Close

6/23/26

Dow Jones	S&P 500	Nasdaq	Birling PR Index	Birling Bank Index
CLOSING PRICE	CLOSING PRICE	CLOSING PRICE	CLOSING PRICE	CLOSING PRICE
51,666.84	7,365.46	25,581.03	4,575.42	10,378.88
▼ -45.87 -0.09%	▼ -107.33 -1.44%	▼ -596.56 -2.22%	▲ +49.50 +1.09%	▲ +178.19 +1.75%

U.S. TREASURY YIELDS

10-Year Note	4.50%	2-Year Note	4.16%
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Source: Bloomberg, Birling Capital Advisors, LLC.



Wall Street Recap

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