

# Dow Reaches Another Record High as Technology Weakness Offsets Micron's Blowout Earnings; Nasdaq Extends Four-Day Slide

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The U.S. and European stock markets closed mixed on Thursday as investors rotated out of several mega-cap technology companies despite another exceptional earnings report from Micron Technology. While semiconductor shares broadly advanced following Micron's strong results, sharp declines in Apple and Microsoft weighed heavily on the Nasdaq Composite, extending its losing streak to four consecutive sessions. Meanwhile, strength in healthcare, industrial, and financial stocks propelled the Dow Jones Industrial Average to another record closing high, highlighting continued sector rotation within the broader market.

Lower Treasury yields and continued weakness in crude oil prices provided a supportive backdrop for equities. The benchmark 10-year U.S. Treasury yield eased to **4.40%**, while West Texas Intermediate crude remained near **\$70 per barrel**, helping reinforce expectations that energy-related inflation pressures could continue to moderate. Investors also welcomed inflation data that, while still elevated, largely met expectations, reducing fears of a more significant upside surprise.

## U.S. Markets

Wall Street finished mixed as investors balanced strong semiconductor earnings against renewed selling pressure in several of the market's largest technology companies. The **Dow Jones Industrial Average** gained **71.72 points (0.14%)** to close at **51,920.62**, reaching another record high, supported by gains in healthcare, industrial, and financial stocks. The **S&P 500** edged down **0.01%** to **7,357.49**, while the **Nasdaq Composite** declined **0.46%** to **25,358.60**, marking its fourth consecutive daily loss. Apple led the technology sector lower after announcing price increases for several hardware products, raising concerns that higher semiconductor costs could pressure profit margins across the industry. Microsoft also declined after announcing higher Xbox pricing. In contrast, Micron Technology surged nearly **16%** after reporting quarterly results that exceeded expectations and issuing strong forward guidance, lifting several semiconductor manufacturers, including Qualcomm, Applied Materials, KLA, Western Digital, and Sandisk. The divergence between semiconductor producers and their largest customers underscored investors' growing focus on how rising chip prices may affect profitability across the broader technology sector.

## European Markets

European equities closed higher on Thursday, extending a broadly constructive week for the region as investors took comfort from a steady stream of encouraging signals out of the United States. Stronger-than-expected U.S. economic data eased concerns about a near-term slowdown, while a continued retreat in benchmark bond yields gave equity investors more room to add risk. Crude oil prices fell for a second consecutive session, a development that rippled through markets in two distinct ways: it lowered input costs for energy-intensive industrials and manufacturers, and it reinforced the broader disinflation narrative that has supported risk assets across developed markets in recent weeks.

Financials led the advance, benefiting from a combination of resilient credit conditions and a yield backdrop that remains supportive of net interest margins without tipping into the kind of volatility that typically weighs on bank stocks. Industrials also outperformed, tracking the improved outlook for input costs and signs that global manufacturing activity is stabilizing after a soft patch earlier in the year. Consumer discretionary names rounded out the leadership group, with investors increasingly willing to pay up for cyclical exposure on the view that lower energy prices will free up household spending power across the Eurozone.

The session's gains came even as investors continued to monitor developments in the Middle East, a reminder that geopolitical risk has not fully receded from the market's radar even as price action has turned more constructive. For now, the combination of resilient U.S. data, falling yields, and cheaper energy is proving more powerful than lingering geopolitical uncertainty, with the Stoxx 600, FTSE 100, and DAX all posting solid gains on the day — a pattern that, if it holds, would support a more durable improvement in the earnings and consumer-spending outlook across the region heading into the second half of the year.

### Energy Markets

Energy markets continued to stabilize as crude oil prices extended their recent decline. West Texas Intermediate traded near \$70 per barrel while Brent crude also moved lower, reflecting reduced concerns over immediate supply disruptions following the reopening of shipping through the Strait of Hormuz. The retreat in energy prices has improved the inflation outlook and reduced pressure on consumers and businesses, although geopolitical risks remain elevated and could quickly reverse the recent trend.

### Economic & Policy Outlook

The Commerce Department's final estimate showed the U.S. economy expanded at an annualized rate of **2.1%** during the first quarter, exceeding earlier estimates of **1.6%**. The upward revision reflected stronger domestic investment and a larger-than-expected decline in imports, which mathematically boosted GDP. Consumer spending was revised modestly lower, indicating household demand has moderated but remains resilient.

The report suggests the economy entered the second quarter with stronger underlying momentum than previously believed, reinforcing the view that economic activity continues to outperform expectations despite elevated interest rates and lingering policy uncertainty.

### Inflation Remains the Federal Reserve's Primary Challenge

The Federal Reserve's preferred inflation gauge continues to signal that price pressures remain above the central bank's comfort zone. Headline Personal Consumption Expenditures (PCE) inflation increased **4.1%** year-over-year in May, while Core PCE, excluding food and energy, accelerated to **3.4%**, slightly above market expectations.

Although recent declines in oil prices may eventually moderate inflation, policymakers are likely to remain cautious, as both headline and core inflation remain well above the Fed's 2% target. Combined with stronger economic growth and a resilient labor market, the latest data reinforce expectations that the Federal Reserve will likely maintain its current policy stance for an extended period.

Should lower energy prices prove temporary and broader inflationary pressures continue to build, policymakers could maintain a higher-for-longer interest rate strategy, with the possibility of additional policy tightening remaining on the table later this year.

### The Final Word: Market Perspective

Thursday's market action reinforced the view that economic growth remains remarkably resilient despite higher interest rates and persistent inflation. The combination of stronger GDP growth, easing Treasury yields, and lower oil prices provides a constructive backdrop for equities, even as the

Federal Reserve continues to prioritize price stability. While geopolitical developments and inflation remain key risks, the underlying strength of the U.S. economy continues to support the broader bull market and suggests investors should remain focused on long-term fundamentals rather than short-term volatility.

### GDPNow Update:

- The GDPNow for the second quarter was updated, falling to **2.50%** from 3.00%, decreasing by **16.67%**.

### Economic Data:

- **US PCE Price Index YoY:** rose to 4.07%, compared to 3.80% last month.
- **US Core PCE Price Index YoY:** rose to 3.41%, compared to 3.32% last month.
- **US Initial Claims for Unemployment Insurance:** fell to 215,000, down from 227,000 last week, a change of -5.29%.
- **US 4-Week Moving Average of Initial Claims for Unemployment Insurance:** rose to 224,250, up from 223,500 last week.
- **US Real GDP QoQ:** is at 2.10%, compared to 0.50% last quarter.
- **US Durable Goods New Orders MoM:** fell to -4.48%, compared to 8.47% last month.
- **US Personal Income MoM:** is at 0.68%, compared to -0.02% last month and -0.52% last year. This is higher than the long-term average of 0.53%.
- **US Personal Spending MoM:** is at 0.71%, compared to 0.41% last month
- **US Total Vehicle Sales:** rose to 16.49 million, up from 16.39 million last month.
- **30 Year Mortgage Rate:** rose to 6.49%, compared to 6.47% last week.
- **Kansas City Fed Manufacturing Production Index:** fell to 9.000, down from 10.00 last month.

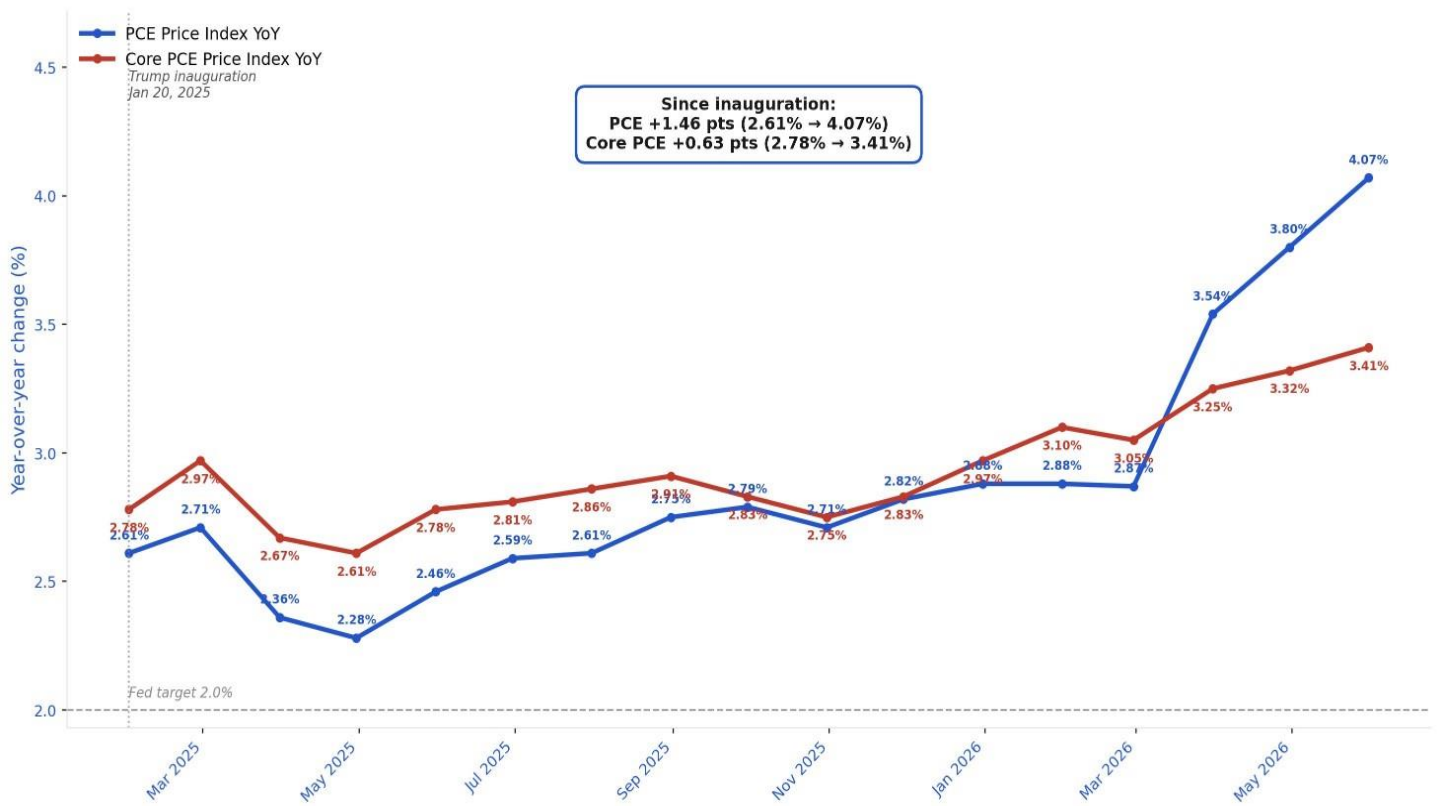
### Eurozone Summary:

- **Stoxx 600:** closed at 640.21, up 5.05 points or 0.80%.
- **FTSE 100:** closed at 10,529.89, up 68.26 points or 0.65%.
- **DAX Index:** closed at 24,994.83, up 254.47 points or 1.03%.

### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 51,920.62, up 71.72 points or 0.14%.
- **S&P 500:** closed at 7,357.49, down 0.73 points or 0.01%.
- **Nasdaq Composite:** closed at 23,358.60, down 118.03 points or 0.46%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,706.97, up 58.55 points or 1.26%.
- **Birling Capital U.S. Bank Index:** closed at 10,278.20, down 95.95 points or 0.92%.
- **U.S. Treasury 10-year note:** closed at 4.40%.
- **U.S. Treasury 2-year note:** closed at 4.09%.

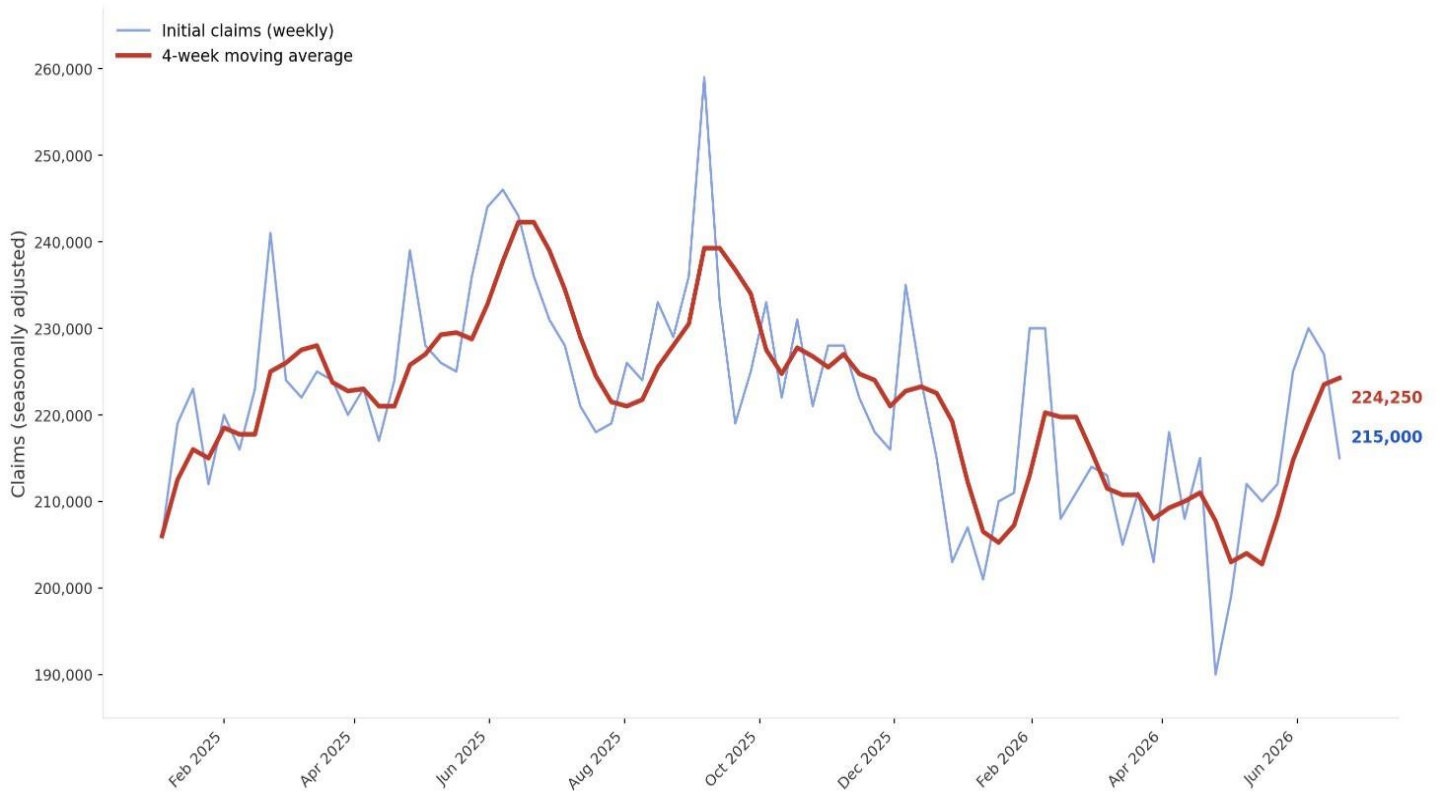
### U.S. PCE and Core PCE Price Index, year-over-year



Source: U.S. Bureau of Economic Analysis

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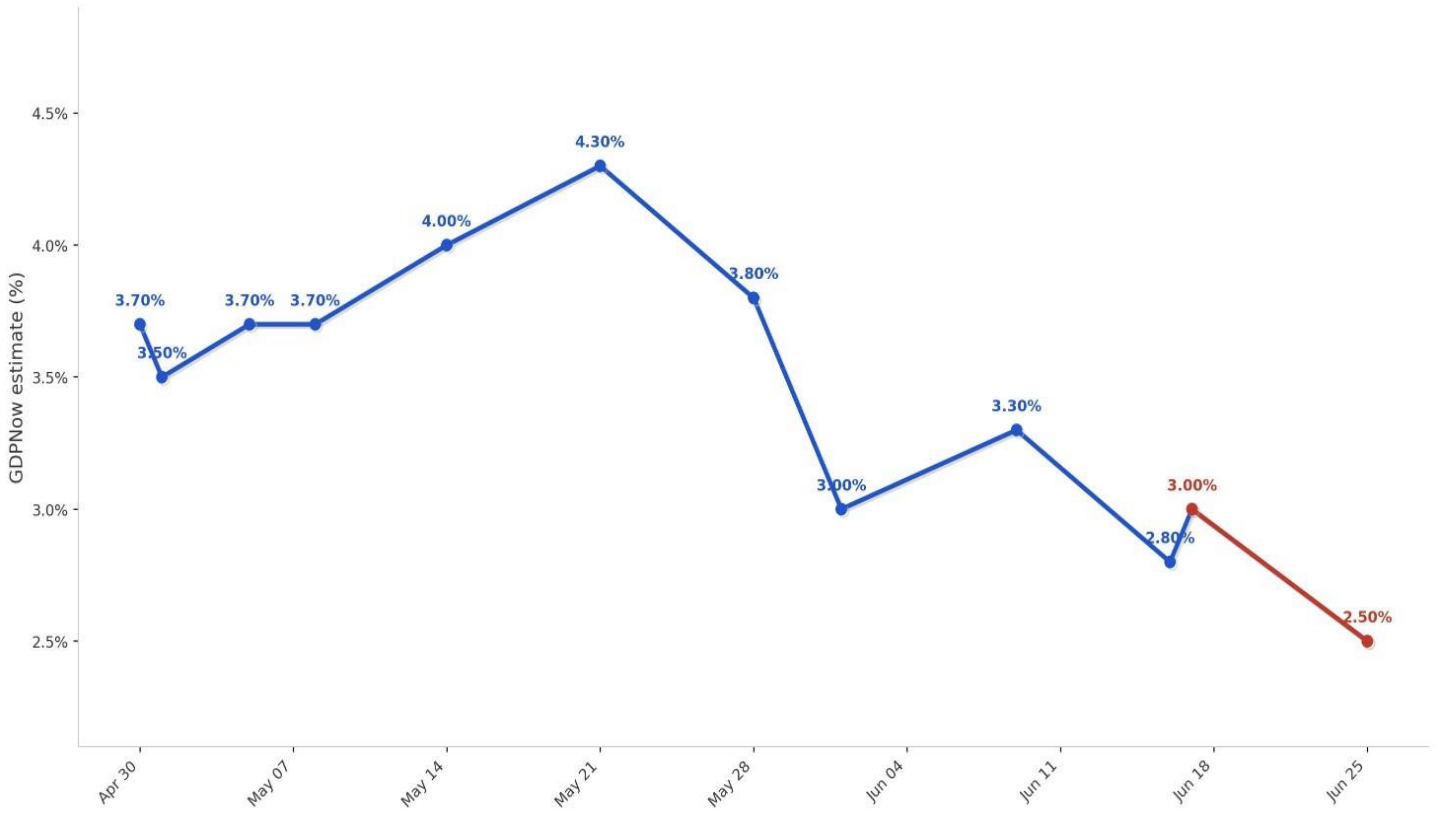
### U.S. Initial Claims for Unemployment Insurance



Source: U.S. Department of Labor

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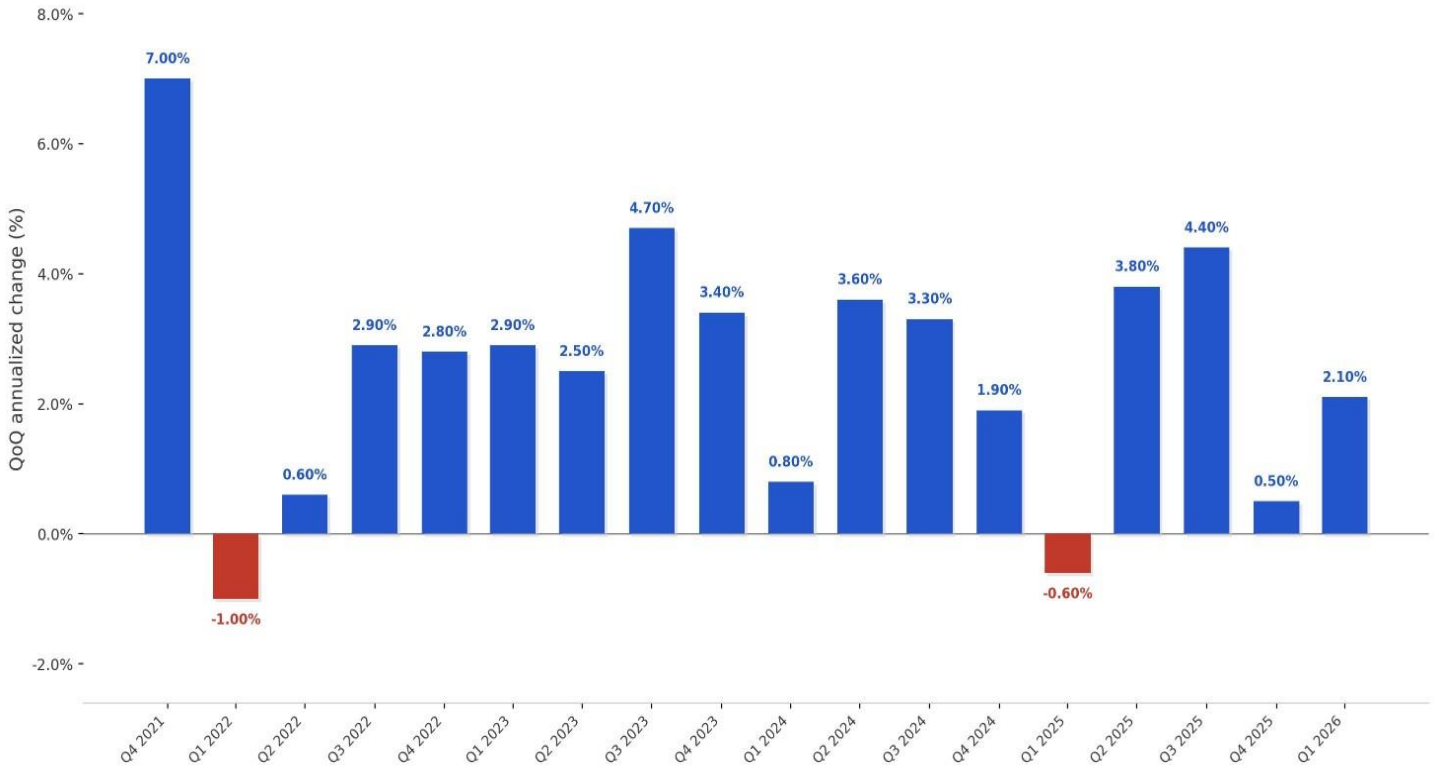
### Atlanta Fed GDPNow: 2Q26 Real GDP Growth Estimate



Source: Federal Reserve Bank of Atlanta

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### U.S. Real GDP, quarter-over-quarter (annualized)



Source: U.S. Bureau of Economic Analysis

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## Eurozone Markets Close

Thursday, June 25, 2026

### Stoxx 600

Closing Price

**640.21**

▲ +5.05 pts

+0.80%



### FTSE 100

Closing Price

**10,529.89**

▲ +68.26 pts

+0.65%



### DAX Index

Closing Price

**24,994.83**

▲ +254.47 pts

+1.03%



Source: Bloomberg, Birling Capital

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## Wall Street and Birling Capital Indexes Close

Thursday, June 25, 2026

Dow Jones Industrial Average	S&P 500	Nasdaq Composite	Birling Capital PR Stock Index	Birling Capital U.S. Bank Index
Closing Price	Closing Price	Closing Price	Closing Price	Closing Price
<b>51,920.62</b>	<b>7,357.49</b>	<b>25,358.60</b>	<b>4,706.97</b>	<b>10,278.25</b>
▲ +71.72 pts	▼ -0.73 pts	▼ -118.03 pts	▲ +58.55 pts	▼ -95.95 pts
+0.14%	-0.01%	-0.46%	+1.26%	-0.92%

U.S. Treasury 10-Year Note	U.S. Treasury 2-Year Note
<b>4.40%</b>	<b>4.09%</b>
Spread: 0.31%	

Source: Bloomberg, Birling Capital



# Wall Street Recap

## June 25, 2026



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