

Dow Surges 559 Points as Investors Rotate Out of Tech — Nasdaq Slips Amid Sector Rebalancing.

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The U.S. and European stock markets closed mixed on Tuesday, reflecting a sharp sector rotation on Wall Street. The **Dow Jones Industrial Average** surged **559.63 points**, led by broad-based buying in **blue-chip names** such as **Merck, Amgen, and Johnson & Johnson**, while the **S&P 500** gained **0.3%**. In contrast, the **Nasdaq Composite** fell **0.2%**, as investors took profits in the high-flying technology sector following Monday's substantial advance.

Trading volumes were lighter than usual, as **bond markets were closed for Veterans Day**, leaving equities to absorb investor repositioning. The pullback in tech follows months of outperformance and reflects a growing preference for value-oriented sectors amid moderate growth expectations and elevated valuations.

Overseas, Asian markets finished the day **mixed**, retreating from early-session gains. At the same time, **European equities** extended their advance as optimism grew over a potential **U.S.–Swiss trade agreement** that could eliminate tariffs on nearly **39%** of Swiss exports. The **U.S. dollar** weakened against major global currencies. At the same time, **WTI crude oil** rose modestly after Russian energy firm **Lukoil** halted production at an Iraqi oil field — the latest signal that sanctions on Russian energy continue to tighten global supply.

Earnings Season in Final Stretch with Broad Upside Momentum

With **91% of S&P 500 companies** now reporting results, third-quarter earnings have exceeded expectations across nearly every primary sector. Roughly **81% of firms** have beaten analyst estimates by an average of **7.2%**, prompting upward revisions to overall earnings growth — now tracking at **12.6%**, up from **7.3%** earlier in the quarter.

Technology companies remain key drivers of growth, but strong results from financials, healthcare, and utilities suggest that earnings strength is broadening. **Nine of the eleven S&P sectors** are expected to post higher year-over-year profits.

This wider earnings leadership should help drive a more balanced equity market and reinforce the case for **diversified portfolio strategies**. As valuations remain near multi-year highs, sustainable earnings expansion — rather than multiple expansion — will likely determine market performance into 2026.

Senate Advances Spending Bill to End Record Government Shutdown

In Washington, the **Senate passed a bipartisan spending bill** late Monday in a narrow **60–40 vote**, clearing the path to end the **41-day federal government shutdown**, the longest in U.S. history. The bill now moves to the **House of Representatives**, where voting could begin as early as Wednesday. **President Trump** has said he intends to sign the legislation once approved. The shutdown's end should help reverse recent disruptions to the economy, which include delayed paychecks for hundreds of thousands of federal workers, suspended public services, and uncertainty over **SNAP benefits** affecting more than **40 million Americans**.

While normalization will take time as agencies work through data and administrative backlogs, we expect a partial rebound in activity in late 2025 and early 2026. The resumption of regular reporting by key federal statistics offices will also help restore visibility into the economy's near-term trajectory.

European Markets Extend Gains; Swiss Stocks Lead on Tariff Hopes

European equities closed higher on Tuesday, buoyed by signs of progress in trade negotiations between the **United States and Switzerland**. The **Stoxx 600** climbed **1.3%**, with all major sectors in positive territory. Swiss shares outperformed: **Richemont** rose **2%**, **Swatch Group** gained **6%**, and **Givaudan** added **1.9%**, driving the **SMI Index** nearly **2%** higher.

In corporate developments, **Vodafone** shares jumped **8.3%** after reporting **€19.6 billion (\$22.7 billion)** in half-year revenues — a **7.3% increase** — and raising its full-year outlook. Meanwhile, the **British pound** recovered modestly after an early dip caused by slower **U.K. wage growth** of **4.6%** in the third quarter.

U.K. **10-year gilt yields** fell **eight basis points** to **4.39%**, while the **FTSE 100** gained **1.2%**, reaching a record high. Germany's **DAX** advanced **0.6%**, extending Europe's momentum amid easing political uncertainty in the United States.

The Final Word

Markets entered the week with diverging signals — blue-chip resilience lifting the Dow while tech consolidation weighed on the Nasdaq. The rotation reflects an evolving market narrative: investors are seeking stability, dividends, and earnings visibility over momentum-driven gains. As Washington edges toward reopening the government and global trade tensions ease, this recalibration may set the stage for a more balanced and sustainable market rally into year-end.

Economic Data:

- **ZEW Indicator of Economic Sentiment for Germany:** fell to 38.50, down from 39.30 last month.
- **UK ILO Unemployment Rate:** Aged 16-64: rose to 5.10%, compared to 4.90% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 580.13, up 7.31 points or 1.28%.
- **FTSE 100:** Closed at 9,899.60, up 112.45 points or 1.15%.
- **DAX Index:** Closed at 24,088.06, up 128.07 points or 0.53%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 47,927.96, up 559.33 points or 1.19%.
- **S&P 500:** closed at 6,847.12, up 14.69 points or 0.22%.
- **Nasdaq Composite:** closed at 23,468.40, down 54.04 points or 0.25%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,771.65, up 21.52 points or 0.57%.
- **Birling Capital U.S. Bank Index:** closed at 8,493.06, up 71.06 points or 0.84%.
- **U.S. Treasury 10-year note:** closed for Veterans Day
- **U.S. Treasury 2-year note:** closed for Veterans Day



ZEW Indicator of Economic Sentiment for Germany & UK ILO Unemployment Rate



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