AI Surge Lifts Nasdaq as Europe Opens November on a High Note.

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The U.S. and European stock markets kicked off November with a mix of AI-driven exuberance and broad-based resilience, as optimism over technology deals and solid corporate earnings helped offset continued political uncertainty and a prolonged U.S. government shutdown.

The Nasdaq Composite rose 109.76 points, powered by the strong tech sector. The S&P 500 inched 0.17% higher, while the Dow Jones Industrial Average fell 226.19 points, as investors rotated toward technology and growth.

AI Momentum: Amazon and Nvidia Extend Market Leadership

A series of landmark artificial intelligence partnerships continued to drive market enthusiasm. Amazon shares surged 4% after announcing a $38 billion agreement with OpenAI to supply next-generation cloud and chip infrastructure. The deal, which relies on hundreds of thousands of Nvidia GPUs, further solidified Amazon's place at the heart of the AI revolution.
The sector-wide rally extended to chipmakers: Micron Technology jumped nearly 5%, Nvidia added 2%, and the VanEck Semiconductor ETF (SMH) gained 1%. Data center operator Iren soared 11% after securing a $9.7 billion multiyear deal with Microsoft to provide access to Nvidia's new GB300 chips. Adding fuel to the rally, Microsoft confirmed it received export licenses from the Trump administration to ship Nvidia semiconductors to the United Arab Emirates, where it plans a $15.2 billion investment by 2029. These deals underscored that the AI buildout remains one of the strongest secular drivers of global equity performance.

Europe Opens November with Gains Led by Travel and Automakers

Across the Atlantic, European markets closed higher on Monday, starting the new month on a positive note ahead of a pivotal week for central bank decisions and earnings. The pan-European Stoxx 600 edged into the green, while regional indexes were mixed. Germany's DAX is up 0.6%, the U.K.'s FTSE 100 is down 0.2%, and France's CAC 40 is down 0.1%.
Travel and leisure stocks led the advance, with Ryanair soaring 4% to a new 52-week high after reporting €1.72 billion in after-tax profit for Q2 and €2.54 billion for the first half — a 42% increase year-over-year, in line with analyst expectations. Revenues for the first half reached €9.82 billion, up 13%, signaling strong travel demand across Europe.
Ryanair CEO Michael O'Leary made headlines for his sharp criticism of the U.K. government's travel tax, labeling it "useless" and "hopeless", yet his company's results highlighted resilience amid regulatory pressure.

Automakers also contributed to Monday's gains:

- Renault: +2.2%, following comments from Chief Growth Officer Fabrice Cambo live about pursuing additional global manufacturing partnerships after its recent deal with Geely.
- Volkswagen: +2.3%

- Mercedes-Benz: +1.9%
- Porsche: +1.7%
  Overall, the Stoxx 600 Automobiles & Parts Index advanced 0.5%, recovering earlier losses as the sector benefited from stronger demand forecasts and cross-border collaborations.

Record U.S. Shutdown Heightens Economic Pressure

The U.S. federal government shutdown has entered its 11th month, poised to become the longest in history, surpassing the 35-day standoff of 2018–2019. The Trump administration confirmed that food aid (SNAP) for over 40 million Americans is being halted, while Affordable Care Act enrollment begins with sharp premium hikes for millions.
These compounding pressures could soon drive bipartisan talks in Congress, though a prolonged impasse risks denting consumer confidence and slowing near-term GDP growth.

Fed Flying Blind Without Economic Data

With federal statistical agencies shuttered, the Federal Reserve continues to operate amid a data blackout. The September Employment Report remains unreleased, and the October data due this week are unlikely to materialize.
Despite limited visibility, the Fed cut rates last week, though Chair Jerome Powell voiced growing discomfort with further easing while inflation remains above target. Powell emphasized that "as visibility worsens, caution becomes a virtue," hinting that December's policy decision may bring a pause in rate reductions.
Birling Capital maintains that the trend in interest rates remains lower, projecting a Fed Funds rate near 3.5% by 2026, assuming inflation continues to moderate and growth stabilizes.

Commodities and Bonds

The 10-year U.S. Treasury yield rose to 4.13% amid continued selling pressure, while gold rebounded above $4,000 per ounce, reflecting strong safe-haven demand. Oil prices were steady as investors await OPEC+ production guidance later this week.

The Final Word

The first trading session of November showcased a tale of two markets:
The AI-fueled surge is lifting Wall Street's growth engines, and the steady resilience of Europe's travel and manufacturing sectors. Yet, the persistent U.S. shutdown and limited policy visibility highlight the fragility underlying this optimism.
Markets are entering a critical inflection point, where technology's expansionary narrative collides with fiscal gridlock and global monetary caution. For investors, selectivity, discipline, and liquidity remain key — as innovation races ahead of policy once again.

Economic Data:

- **U.S. ISM Manufacturing PMI:** fell to 48.70, down from 49.10 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 572.28, up 0.39 points or 0.07%.
- **FTSE 100:** Closed at 9,701.37, down 15.88 points or 0.16%.
- **DAX Index:** Closed at 21,132.41, up 174.11 points or 0.73%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 47,336.68, down 226.19 points or 0.48%.
- **S&P 500:** closed at 6,851.97, up 11.77 points or 0.17%.
- **Nasdaq Composite:** closed at 23,834.95, up 109.76 points or 0.46%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,681.37, up 27.79 points or 0.76%.
- **Birling Capital U.S. Bank Index:** closed at 8,469.65, up 45.04 points or 0.54%.
- **U.S. Treasury 10-year note:** closed at 4.13%.
- **U.S. Treasury 2-year note:** closed at 3.60%.

GLOBAL MARKET SQUARE
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US ISM Manufacturing PMI & US Import Prices YoY

Wall Street Recap

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