GLOBAL MARKET SQUARE

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Dow Gains 195 Points as Oil's Rise and Chip Weakness Leave Wall Street Mixed Ahead of Earnings

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The U.S. stock markets closed mixed on Monday as rising oil prices and weakness in memory-chip shares tempered the momentum from last week's gains. The Dow Jones Industrial Average advanced 195 points, or 0.40%, while the S&P 500 slipped 0.06% and the Nasdaq Composite declined 0.40%. Investors shifted their attention to a consequential week of bank earnings and inflation reports, as elevated energy costs and geopolitical uncertainty put another test on corporate profitability.

U.S. Markets

Wall Street's performance was selective, with company-specific developments widening the gap between the Dow and the technology-heavy Nasdaq.

Micron Technology fell approximately 3% as investors assessed competitive risks following reported advances in chip technology by China's CXMT. The decline weighed on the Nasdaq and highlighted how quickly concerns about market share and pricing power could challenge enthusiasm surrounding semiconductor demand.

Salesforce provided a counterweight, gaining approximately 2% following a double upgrade from Bank of America and helping lift the Dow. The S&P 500 finished nearly unchanged as investors balanced those contrasting corporate developments against higher energy prices.

Oil added another layer of uncertainty. WTI futures increased 2.06% to settle at $93.74 per barrel, while Brent rose 1.84% to $106.65. Questions about implementing the announced Russia–Ukraine energy ceasefire, along with the prospect of deeper U.S. involvement against the Houthis, reinforced concerns about further supply disruptions.

Despite Monday's mixed close, the major indexes entered the week with positive momentum. The Dow and S&P 500 had recorded their second winning week in three, while the Nasdaq had extended its advance to four consecutive weeks.

Attention now turns to results from JPMorgan Chase, Citigroup, Bank of America, Goldman Sachs, Morgan Stanley, and Wells Fargo. Their reports will offer insight into credit conditions, consumer resilience, financing demand, and capital-market activity. Investors will scrutinize technology results as closely, assessing whether AI infrastructure expansion continues to generate enough growth to support valuations.

In our view, strong earnings could help markets absorb geopolitical volatility, but expectations leave limited room for weak guidance. The September consumer and producer price reports, due Wednesday and Thursday, respectively, will provide the next assessment of inflation pressures. Sustained market progress will require companies to demonstrate that revenue growth can translate into durable profits despite higher operating costs.

European Markets

European stock markets closed higher on Monday, October 12, as investors positioned for third-quarter earnings season while assessing geopolitical developments and their implications for energy costs.

The FTSE 100 led the advance, gaining 0.99%, followed by Germany's DAX, which rose 0.76%, and the Stoxx 600, which increased 0.65%. The gains reflected a positive regional tone, although French fiscal concerns and uncertainty surrounding energy supplies remained important risks.
In our view, sustained momentum will depend on companies delivering solid earnings and credible guidance while managing elevated financing and operating costs.

Energy Markets
Oil prices reversed earlier losses, with WTI approaching $94 per barrel and Brent trading near $107 during the session. Renewed attacks in the Middle East reinforced concerns about infrastructure security and the reliability of tanker movements.
Although oil flows through the Strait of Hormuz had improved and alternative supply routes offered some relief, the recovery remained vulnerable to further disruption. Attacks involving Saudi Arabia and regional shipping underscored how quickly supply concerns could intensify.
President Trump's announcement of a Russia–Ukraine energy ceasefire initially encouraged expectations of relief. However, reports of subsequent attacks on Ukrainian energy facilities raised questions about whether the arrangement would meaningfully reduce disruptions.
In our view, sustained deliveries will be the decisive measure of progress. Secure shipping routes, functioning refineries, and protected infrastructure would provide a stronger foundation for lower energy costs.

Economic & Policy Outlook
Third-quarter earnings season will provide an important assessment of corporate resilience. JPMorgan Chase and Citigroup were scheduled to report on Tuesday, offering insight into loan demand, funding costs, credit quality, and the financial condition of consumers and businesses.
Later in the week, ASML and Taiwan Semiconductor were expected to provide a clearer picture of semiconductor demand and the AI investment cycle. Investors will examine whether spending commitments remain supported by customer demand and credible returns.
The September Consumer Price Index, scheduled for Wednesday, October 14, will be the week's central economic release. Higher energy prices could accelerate headline inflation, while a more moderate core reading would suggest that underlying price pressures remained better contained. However, softer core inflation alone would not establish that the energy shock had passed. Persistent increases in fuel costs could eventually affect transportation, production, and other prices.
Retail sales will offer another test of household resilience. In our view, the key question is whether consumers can sustain spending while absorbing higher living costs and expensive credit.

The Final Word: Earnings Must Deliver
Record territory leaves less room for disappointment. In our view, the next market advance will depend on credible earnings growth, disciplined investment, and contained inflation pressures. Confidence can lift valuations; sustained profits must support them.

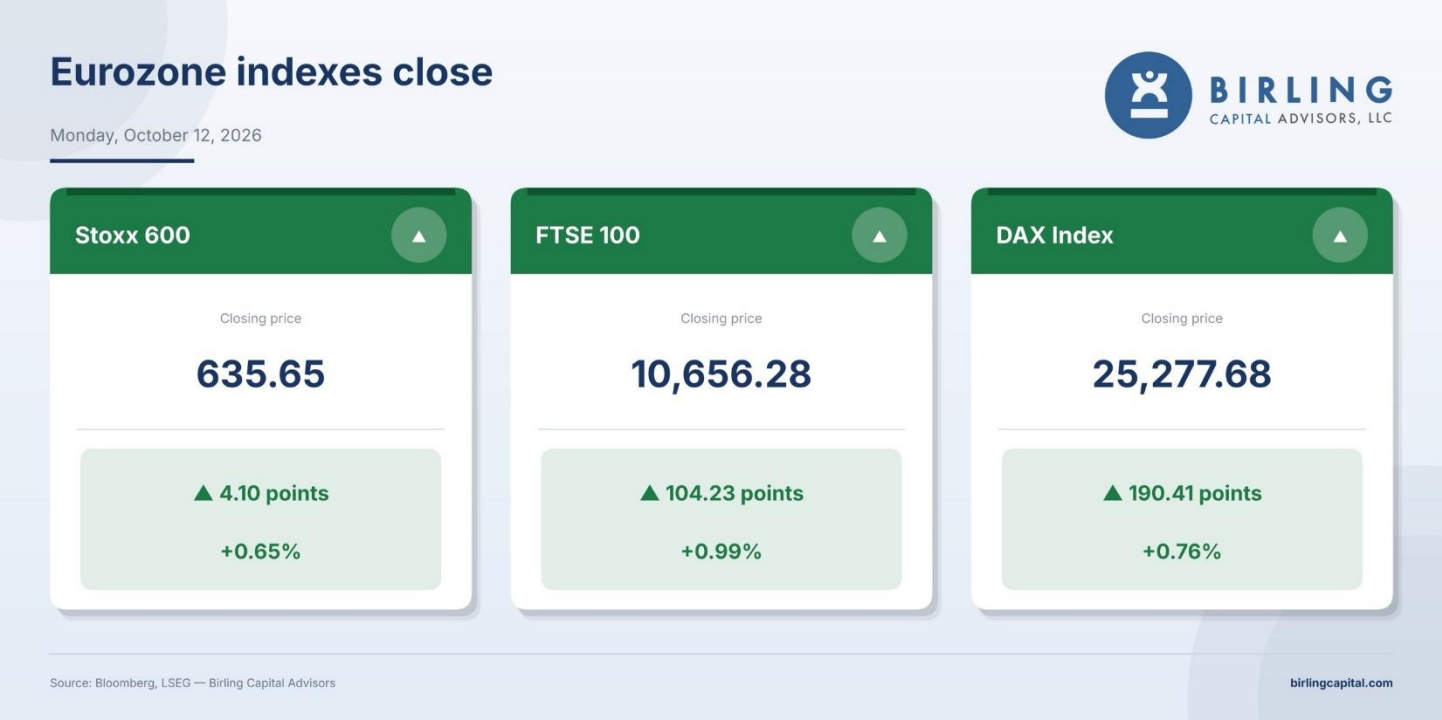
Eurozone Summary:

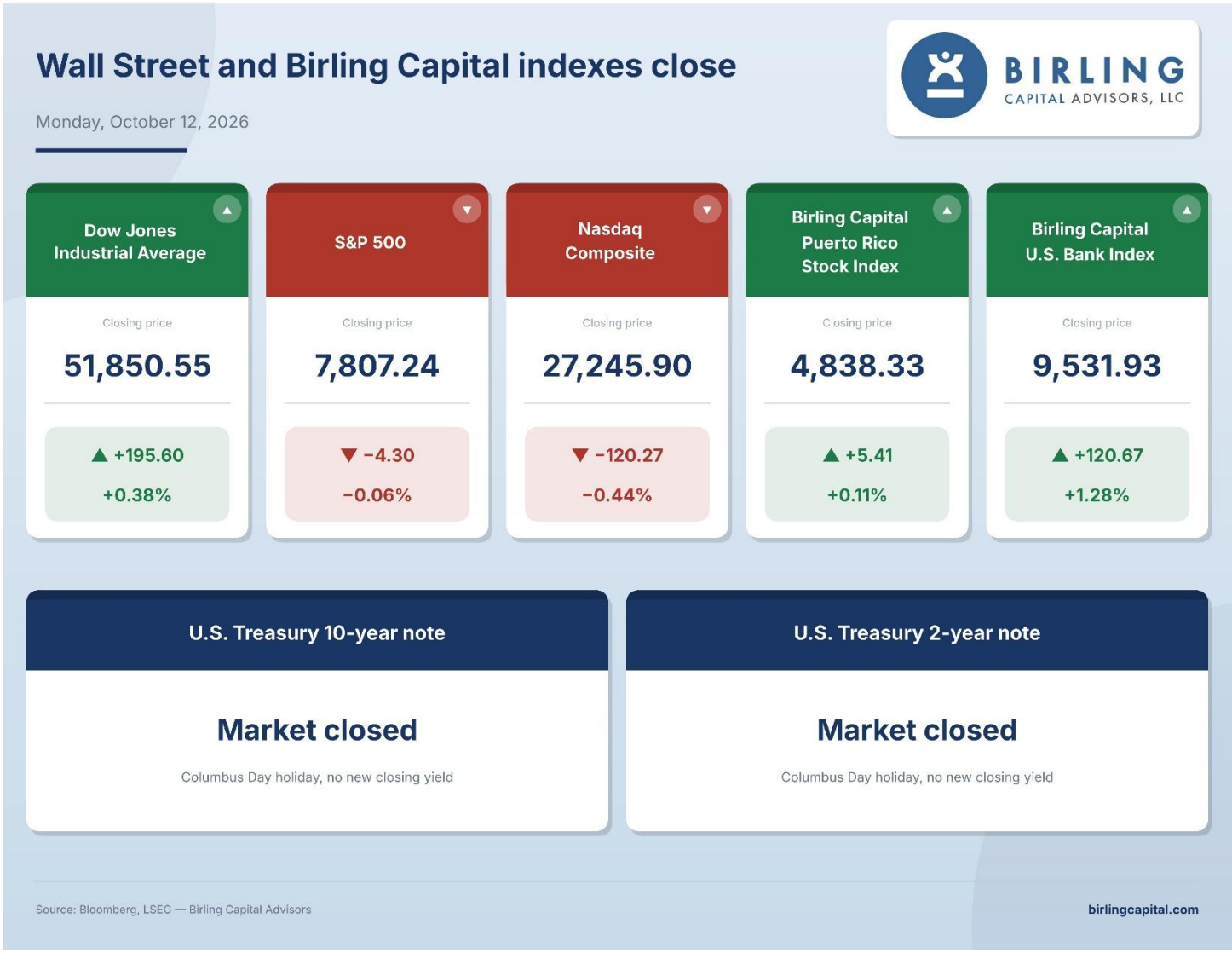
- **Stoxx 600**: Closed at 635.65, up 4.10 points, or 0.65%.
- **FTSE 100:** Closed at 10,656.28, up 104.23 points, or 0.99%.
- **DAX Index:** Closed at 25,277.68, up 190.41 points, or 0.76%

Wall Street Summary:

- **Dow Jones Industrial Average**: closed at 51,850.55, up 195.60 points, or 0.38%.
- **S&P 500**: closed at 7,807.24, down 4.30 points, or 0.06%.
- **Nasdaq Composite**: closed at 27,245.90, down 120.27 points, or 0.44%.

- **Birling Capital Puerto Rico Stock Index**: closed at 4,838.33, up 5.41 points, or 0.11%.
- **Birling Capital U.S. Bank Index**: closed at 9,531.93, up 120.67 points, or 1.28%.
- **U.S. Treasury 10-year note**: The Treasury market was closed for Columbus Day.
- **U.S. Treasury 2-year note:**





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