Nasdaq tumbles 2.15% as chip and AI sell-off and $100 oil end Wall Street's worst week for tech since June

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The U.S. and European stock markets finished the week in different places on Friday. European equities closed higher, with the Stoxx 600, FTSE 100 and DAX all in positive territory, while Wall Street sold off as investors dumped semiconductor and other AI-linked shares and crude oil climbed back above $100 a barrel. The Nasdaq Composite fell 2.14% to cap its steepest weekly drop since June, and the VIX rose above 22 for the first time in four months.

U.S. markets

U.S. stocks fell sharply on Friday as technology carried the damage. The Nasdaq Composite dropped 2.14% to close at 26,140.03 and the S&P 500 fell 1.09% to 7,659.44, with both finishing below their 50-day moving averages. The Dow Jones Industrial Average held up better, slipping 175.28 points, or 0.34%, to 52,002.41, helped by gains in energy shares such as Chevron. Weekly results reflected the same split: the Nasdaq lost more than 4%, the S&P 500 fell nearly 2%, and the Dow rose 0.7%.

Chip stocks were at the center of the selling. The VanEck Semiconductor ETF (SMH) dropped 3% on the day, with Micron Technology, Advanced Micro Devices and Sandisk among the weakest names, and finished the week down 10%, its largest weekly decline since April 2025. Concerns about competition from China have pressured the group all week. Worries about how much debt technology companies are taking on to fund AI buildouts added to the pressure. CoreWeave fell almost 12% on Friday, extending its weekly loss to 25%, with its total debt now above $51 billion.

Oil and inflation also weighed on sentiment. WTI crude futures rose 3.51% to settle at $101.41 a barrel and Brent gained 3.72% to $109.86, as tensions between the U.S. and Iran and between Russia and Ukraine pushed prices higher. Wholesale inflation this week posted its largest increase since 2022, and consumer inflation remains well above the Federal Reserve's 2% target. Fed Chairman Kevin Warsh gave no hint about rate hikes in remarks at an IMF event in Bangkok, and traders read his silence as a sign the Fed will stand pat, with the CME FedWatch tool showing an 82% probability of no change at the October 27-28 meeting.

European markets

European equities closed higher on Friday, with all three major benchmarks finishing in positive territory. The advance followed a steady eurozone inflation reading, with consumer prices holding at 3.8% in September, in line with expectations, and gains in Asian markets overnight. Germany's DAX led the move, rising 0.95%, while the Stoxx 600 gained 0.72% and the FTSE 100 added 0.38%. The three indexes we follow closed higher: the Stoxx 600, up 4.58 points; the FTSE 100, up 41.55 points; and the DAX Index, up 239.99 points.

Earning season

With the first week of reporting complete, 85% of S&P 500 companies that have reported beat profit estimates by an average of 3.3%. Analysts expect S&P 500 profits to grow about 27% from a year ago, led by energy, followed by technology and communication services. Ten of the 11 sectors are projected to post year-over-year gains. If those forecasts hold, broader participation could lift more companies and ease the market's reliance on a small group of large companies.

Energy markets
Crude oil reversed higher on Friday, shaking off early weakness after the International Energy Agency said it would accelerate the release of the remaining 100 million barrels covered by its previously announced agreement. WTI crude futures rose 3.51% to settle at $101.41 a barrel, back above the $100 mark, while Brent crude futures gained 3.72% to $109.86. Buyers focused on rising tensions between the U.S. and Iran and between Russia and Ukraine, and the extra supply from the IEA release was not enough to offset those concerns. Energy shares followed crude higher, with Chevron helping limit the Dow's losses.

Economic & policy outlook
U.S. industrial production rose 0.66% in September, up from 0.06% in August and ahead of the 0.4% forecast, the strongest monthly gain in five months. A 3.5% jump in utility output drove much of the increase, while manufacturing rose 0.3%, in line with expectations. Output grew at a 2.8% annualized pace in the third quarter. The picture elsewhere is more mixed: the New York Fed's current business activity index fell to -20.70 from -8.70, while export and import prices accelerated to 11.60% and 8.10% year over year. Together, the data point out to firmer industrial output, continued price pressure, and weaker business sentiment, a backdrop the Fed will weigh as it considers its next move later this month.

The final word
Friday's session showed market sorting through crosscurrents: technology remained under pressure, but yields eased, industrial output was firm, and earnings were broad and strong. The test ahead is whether earnings strength outside technology can carry the market while the Fed's next decision remains in view.

Economic Update:

- **US Export Prices YoY**: rose to 11.60%, up from 9.30% last month.
- **US Import Prices YoY:** rose to 8.10%, up from 6.70% last month.
- **US Industrial Production MoM**: rose to 0.66% from 0.06% last month.
- **NY Fed Business Leaders Survey Current Business Activity**: fell to -20.70, down from -8.70 last month.

Eurozone Summary:

- **Stoxx 600**: Closed at 637.75, up 2.74 points, or 0.43%.
- **FTSE 100**: Closed at 10,724.86, up 74.53 points, or 0.70%.
- **DAX Index:** Closed at 25,298.61, up 38.71 points, or 0.15%.

Wall Street Summary:

- **Dow Jones Industrial Average**: closed at 52,002.41, down 175.28 points, or 0.34%.
- **S&P 500**: closed at 7,659.44, down 84.62 points, or 1.09%.
- **Nasdaq Composite**: closed at 26,140.03, down 572.99 points, or 2.15%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,971.72, up 82.92 points, or 1.70%.
- **Birling Capital US Bank Index:** closed at 9,301.20, up 84.81 points, or 0.92%.
- **US Treasury 10-year note**: closed at 5.09%.
- **US Treasury 2-year note**: closed at 4.74%.

US economic data dashboard

Business activity, trade prices and industrial output, January 2025 to latest release

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NY Fed business leaders survey

Current business activity, index



US export prices

Year over year, percent



US import prices

Year over year, percent



US industrial production

Month over month, percent



Sources: Federal Reserve Bank of New York, US Bureau of Labor Statistics, Federal Reserve Board. Latest readings: NY Fed Oct 26, trade prices Sep 26, industrial production Sep 26.

European stock indexes close

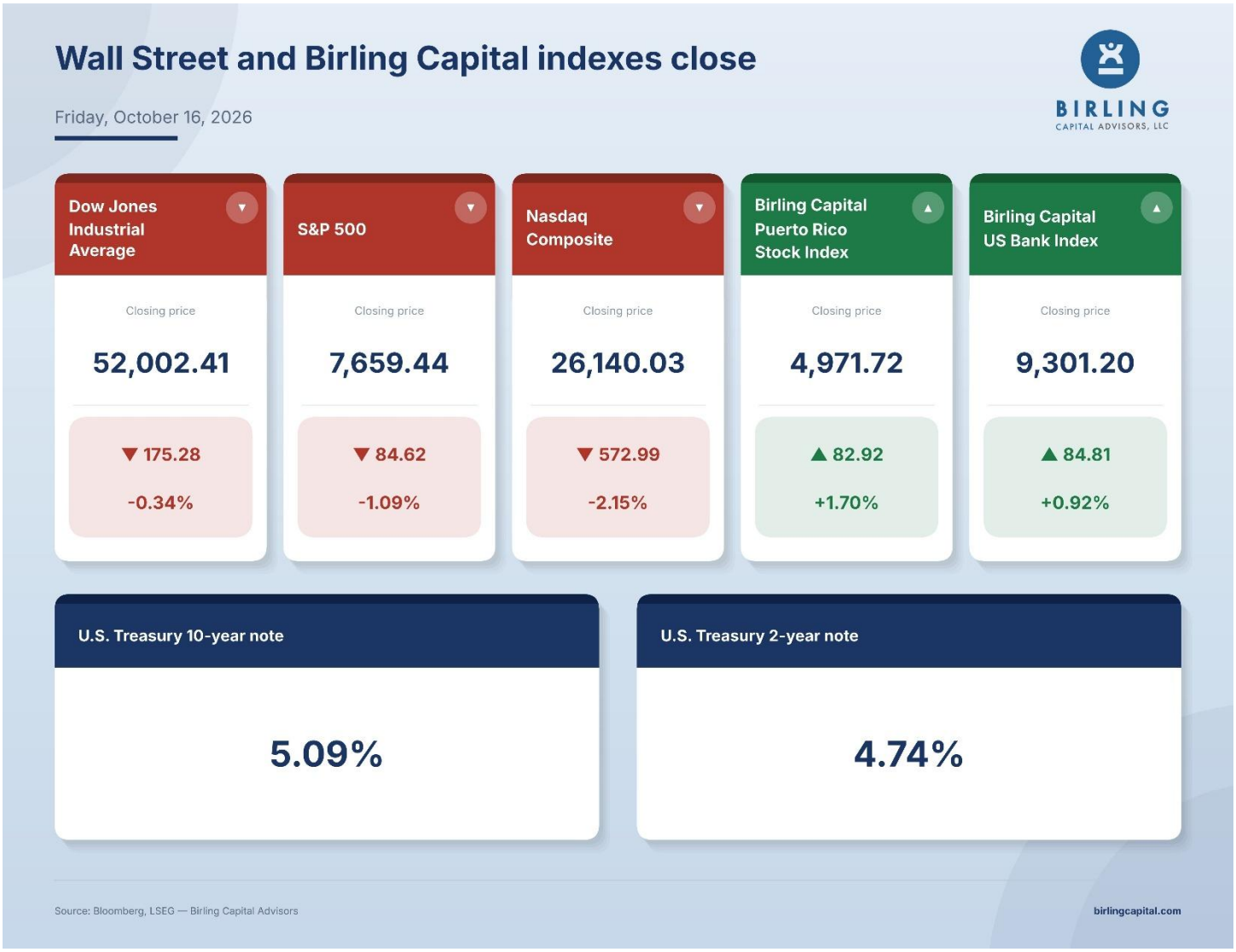
Friday, October 16, 2026

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Stoxx 600 ▲	FTSE 100 ▲	DAX Index ▲
Closing price	Closing price	Closing price
644.74	10,881.90	25,622.61
▲ 4.58 points	▲ 41.55 points	▲ 239.99 points
+0.72%	+0.38%	+0.95%

Source: Bloomberg, LSEG — Birling Capital Advisors

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