Dow Hits Record Close Near 47,000 as Earnings Momentum Builds; Yields Continue to Ease.

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The U.S. and European stock markets **extended gains on Tuesday**, as strong corporate earnings and moderating bond yields fueled another day of optimism across global equities. The **Dow Jones Industrial Average** led the advance, **climbing 218 points, or 0.5%, to a record close just below 47,000**, powered by solid results from **Coca-Cola** and **GM**. The **S&P 500** finished marginally higher, while the **Nasdaq Composite** slipped by about **0.2%**, weighed by mild profit-taking in large-cap technology names. The upbeat tone was fueled by optimism over **resilient third-quarter results** and continued **declines in Treasury yields**, reinforcing expectations of a soft landing for the U.S. economy. Investors turned their attention to a wave of high-profile earnings from **Coca-Cola** and **General Motors**, which beat expectations, and **Netflix,** which reports after the market closes, results suggest that corporate America remains fundamentally strong. Thus far, about **83% of reporting companies have exceeded earnings estimates.**

Meanwhile, **precious metals slipped sharply**, with gold and silver retreating from recent highs after a robust year-to-date run. In fixed income, **Treasury yields continued to edge lower**, with the **10-year U.S. Treasury yield falling two basis points to 3.98%**, its lowest level in nearly two months and below the recent 4.0%–4.5% range.

At **Birling Capital**, we interpret the lower yields as evidence of both **central bank accommodation** and **subdued short-term growth expectations** tied to the ongoing U.S. government shutdown. Yet, markets are increasingly looking beyond temporary disruptions, with investors beginning to price in a **renewed growth phase for 2026**, driven by policy clarity, capital investment, and sustained consumer strength.

Third-Quarter Earnings Continue to Impress

The third-quarter earnings season is off to a **solid start**, with **roughly 15% of S&P 500 companies** now having reported. Aggregate earnings are on pace to grow **8.1% YoY**, with **83% surpassing forecasts**, marking one of the strongest earnings-beat ratios in recent memory.
Looking ahead, **full-year earnings growth** for 2025 is projected at **11%.** This expansion, initially powered by **technology and AI leaders**, is expected to **broaden across industrials, healthcare, and financials** — suggesting a more balanced and sustainable profit cycle.
In Birling Capital's view, **corporate earnings remain the market's cornerstone**, providing a robust foundation for continued equity appreciation through the remainder of the year.

2026: Setting the Stage for a Broader Market Upswing

Volatility remains contained despite geopolitical and credit-related jitters. The **VIX volatility index**, after a brief uptick to its highest level since May, has moderated again — reflecting resilient investor confidence. While near-term headwinds include **renewed U.S.–China trade tensions**, a **cooling labor market**, and **valuation pressures in AI-linked stocks**, the broader picture remains constructive.
The **S&P 500 has now gone more than 100 trading days without a 5% correction**, underscoring the depth of market support.

European Stocks Extend Gains as Defense Sector Rebounds; Novo Nordisk Slips 1.3%

European markets **closed higher on Tuesday**, building on early-week strength as investors weighed corporate news and sector volatility.

Defense stocks continued to attract attention after a volatile session. The **STOXX Europe Aerospace and Defense Index** ended **1.1% higher**, **Switzerland's Montana Aerospace** surged more than **10%**, **Italy's Leonardo** added **1.3%**, while **Germany's Renk** edged **0.6% lower**. The sector remains buoyed by **geopolitical developments and the recent debut of TKMS**, Thyssenkrupp's spun-off naval unit, following renewed discussions between **President Donald Trump and Ukraine's Volodymyr Zelenskyy**.

In corporate developments, **Novo Nordisk** shares fell **1.3%** after announcing an **extraordinary general meeting on November 14** to elect new board members, following governance disputes with its controlling shareholder, the **Novo Nordisk Foundation**. Chairman **Helge Lund** and several independent directors confirmed they will not stand for re-election.

Across the United Kingdom, fiscal pressures intensified as **public sector borrowing** rose to **£20.2 billion ($27 billion)** in September — the **highest September figure since records began in 1997**. Borrowing for the first half of the fiscal year reached **£99.8 billion**, up **13% year-over-year**, though broadly aligned with **Office for Budget Responsibility (OBR)** forecasts.

Corporate Earnings Parade:

- **The Coca-Cola Co. (KO):** reported 3Q25 revenues of $12.5 billion, increasing 5%, net income of $3.696 billion, and earnings per share of $0.82, topping estimates. KO has a stock price objective of $77.49. Check Our Report: KO Overview
- **General Motors Co. (GM):** reported 3Q25 revenues of $48.591 billion, net income of $1.327 billion, and earnings per share of $1.35, topping estimates. GM has a stock price objective of $64.76. Check Our Report: GM Overview

Economic Data:

- **U.S. Retail Gas Price:** fell to $3.193, down from $3.253 last week, decreasing by 1.84%.
- **Canada Consumer Price Index YoY:** rose to 2.36%, compared to 1.85% last month.
- **Canada Inflation Rate:** rose to 2.36%, compared to 1.85% last month.

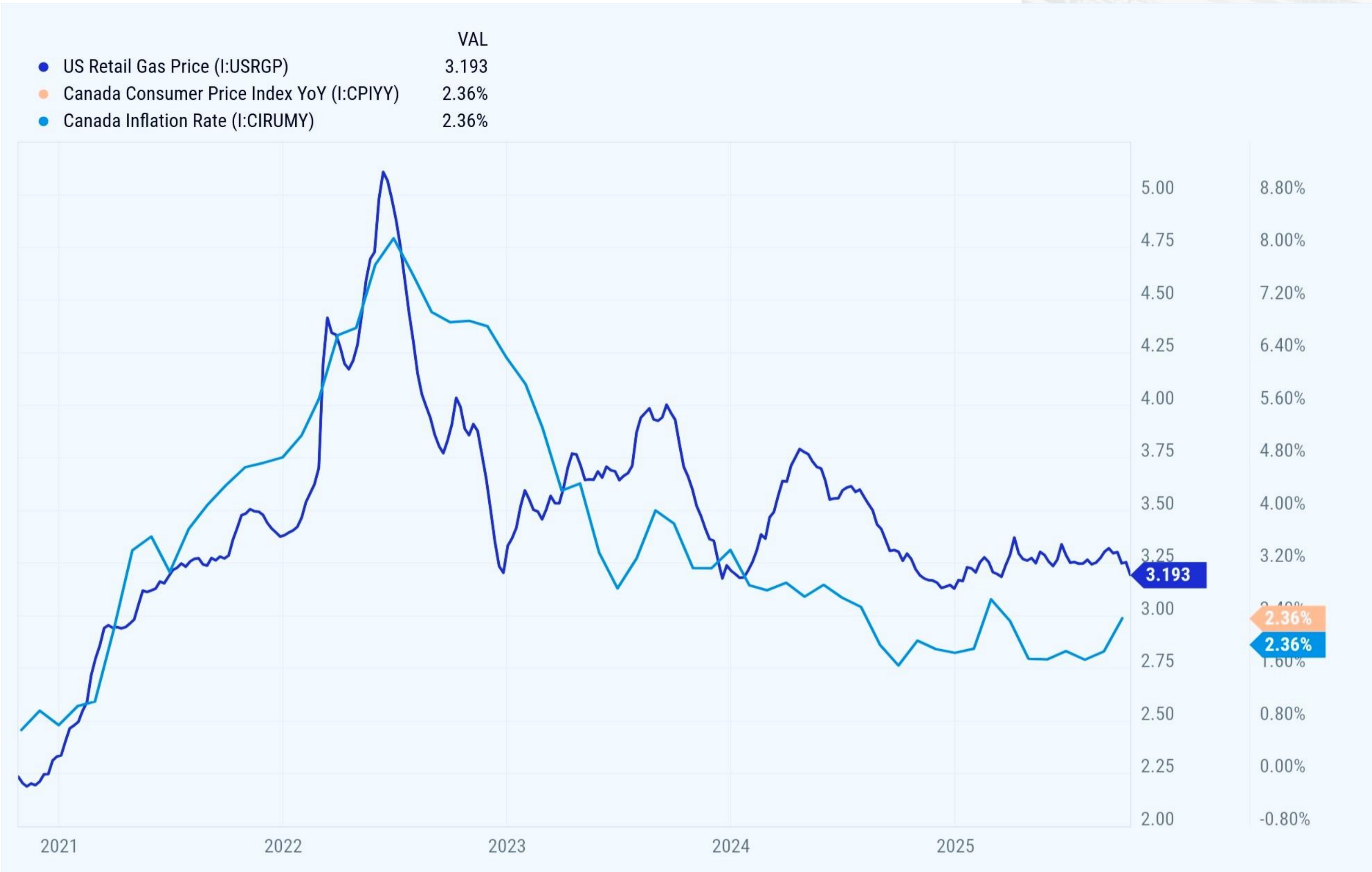
Eurozone Summary:

- **Stoxx 600:** Closed at 573.30, up 1.20 points or 0.21%.
- **FTSE 100:** Closed at 9,426.99, up 23.42 points or 0.25%.
- **DAX Index:** Closed at 24,320.03, up 71.23 points or 0.29%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,924.74, up 218.16 points or 0.47%.
- **S&P 500:** closed at 6,735.35, up 0.22 points or 0.00%.
- **Nasdaq Composite:** closed at 22,953.67, down 36.87 points or 0.16%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,975.28, up 101.73 points or 2.63%.
- **Birling Capital U.S. Bank Index:** closed at 8,249.34, up 167.93 points or 2.08%.
- **U.S. Treasury 10-year note:** closed at 3.98%.
- **U.S. Treasury 2-year note:** closed at 3.45%.

US Retail Gas Price; Canada Consumer Price Index YoY & Canada Inflation Rate



Wall Street Recap
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