Dow Sinks More than 652 Points as Selling Spreads Beyond Technology and Oil Surges Above $100

October 23, 2026

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The U.S. and European stock markets **faced renewed selling pressure on Friday as Wall Street's retreat broadened beyond technology**, while escalating Middle East tensions pushed oil prices higher. **The Dow fell more than 650 points as financial, industrial, and traditionally defensive stocks weakened.** Selected semiconductor shares rebounded following Thursday's sharp losses, but their recovery failed to offset the broader deterioration in sentiment. Investors continued to weigh corporate earnings against rising financing costs and the substantial capital required to expand artificial intelligence infrastructure.

U.S. Markets

Wall Street's sell-off widened Friday, with the **Dow Jones Industrial Average down about 653 points, or 1.2%**, while the **S&P 500 fell 0.5%** and the **Nasdaq Composite slipped 0.2%** in the latest trading.

The weakness spread to consumer staples, utilities, and healthcare, suggesting investors were becoming more selective even in sectors typically favored during uncertainty. Unlike Thursday's session, when strength in many individual stocks softened the impact of technology losses, Friday's selling spread to more of the market.

Several Dow components added to the pressure. **American Express fell more than 3%** after announcing plans to cut its global workforce by about 5% as it adjusted operations to support greater AI adoption. **Caterpillar fell about 2%**, while **Goldman Sachs fell about 1%**.

Technology performance was more resilient but uneven. **Microsoft edged higher**, while **Micron Technology gained approximately 3%** and **Advanced Micro Devices advanced about 2%**. Those rebounds offered some relief following Thursday's sharp repricing, although concerns about borrowing requirements and the timing of returns on AI investment remained unresolved.

In fixed income, the **U.S. Treasury 10-year note closed at 5.00%**, while the **2-year note closed at 4.69%.** Treasury gains during Thursday's equity sell-off had provided some portfolio cushioning, but Friday's closing yields underscored the continued importance of inflation expectations and the Federal Reserve's policy outlook.

Based on the latest equity readings, the **S&P 500 and Nasdaq were heading toward weekly declines of approximately 0.3% and 0.5%**, respectively, while the **Dow remained on track for a weekly gain of about 0.5%**.

European Markets

European equities **closed lower on Friday as rising energy prices and geopolitical uncertainty weighed on sentiment.** Germany's DAX fell 0.75%, the largest decline among the three benchmarks, while the FTSE 100 slipped 0.32% and the Stoxx 600 declined 0.31%.

Higher oil and natural gas prices raised concerns about business costs, household purchasing power, and persistent inflation. For transport companies and other energy-intensive businesses, sustained fuel price increases could directly erode profitability and delay investment. For consumers, higher utility and transport bills would reduce discretionary spending. Investors also looked ahead to the **European Central Bank's upcoming policy decision for guidance on how policymakers will balance inflation risks against pressure on economic growth**.

Europe faces a dual challenge: sustaining its economic momentum while containing renewed inflationary pressure, a balance that will be central to the ECB's policy review. **The three indexes we follow closed lower: Stoxx 600, down 1.97 points; FTSE 100, down 34.67 points; and DAX Index, down 190.10 points.**

Energy Markets

Oil prices climbed sharply on Friday as reports of possible renewed U.S. and Israeli attacks on Iran heightened concerns about regional production and shipping disruptions. Iran's warnings that it was prepared to retaliate added to the uncertainty.

West Texas Intermediate crude futures rose more than 3% to approximately $103 per barrel, while **Brent crude gained more than 2% to roughly $116 per barrel** in the latest trading figures.

The renewed increase in crude prices threatened to extend inflation pressure through transportation, manufacturing, agriculture, and other energy-dependent industries. Elevated European natural gas prices compounded the challenge for households and businesses already facing expensive financing.

For markets, a prolonged energy shock could squeeze corporate margins, weaken consumer purchasing power, and complicate central banks' efforts to contain inflation without undermining economic growth.

Economic & Policy Outlook

The coming week brings a concentrated schedule of market catalysts, with Federal Reserve and Bank of Canada decisions on Wednesday, followed by the European Central Bank on Thursday. Earnings from Alphabet, Microsoft, and Amazon would provide another major test of confidence in the AI investment cycle.

For the Fed, rising energy prices complicated an already difficult balance. More expensive fuel could sustain inflation pressure, while elevated financing costs and market volatility threatened economic momentum. A near-term pause would therefore leave considerable uncertainty about interest rates' subsequent direction.

In fixed income, the **U.S. Treasury 10-year note closed Friday at 5.00%, while the 2-year note closed at 4.69%.** Thursday's Treasury rally helped cushion equity losses, but diversification benefits remained sensitive to inflation expectations and the policy outlook.

Corporate earnings would face scrutiny beyond headline revenue and profit growth. Investors would assess operating cash flow, capital expenditures, funding requirements, and the timetable for generating returns from AI infrastructure. Strong demand alone would offer limited reassurance without evidence that investment could translate into sustainable profitability.

The Final Word

Friday's broader selling showed that market pressure had spread beyond technology. With oil above $100 and major policy decisions approaching, investors demanded stronger evidence of cash generation, disciplined spending, and earnings resilience.

Corporate Earnings Parade:

- **American Express (AXP):** reported Q3 2026 earnings with revenue of $20.06 billion, up 9% and missing estimates; net income of $3.712 billion, up 28% and beating estimates; and Earnings Per Share of $4.68. Amex has a stock price target of $369.44. Amex stock took a beating today, falling $1196 to close at $ 313.22. AXP Overview

Economic Update:

- **US Index of Consumer Sentiment:** down to 48.00 from 48.10 the previous month.

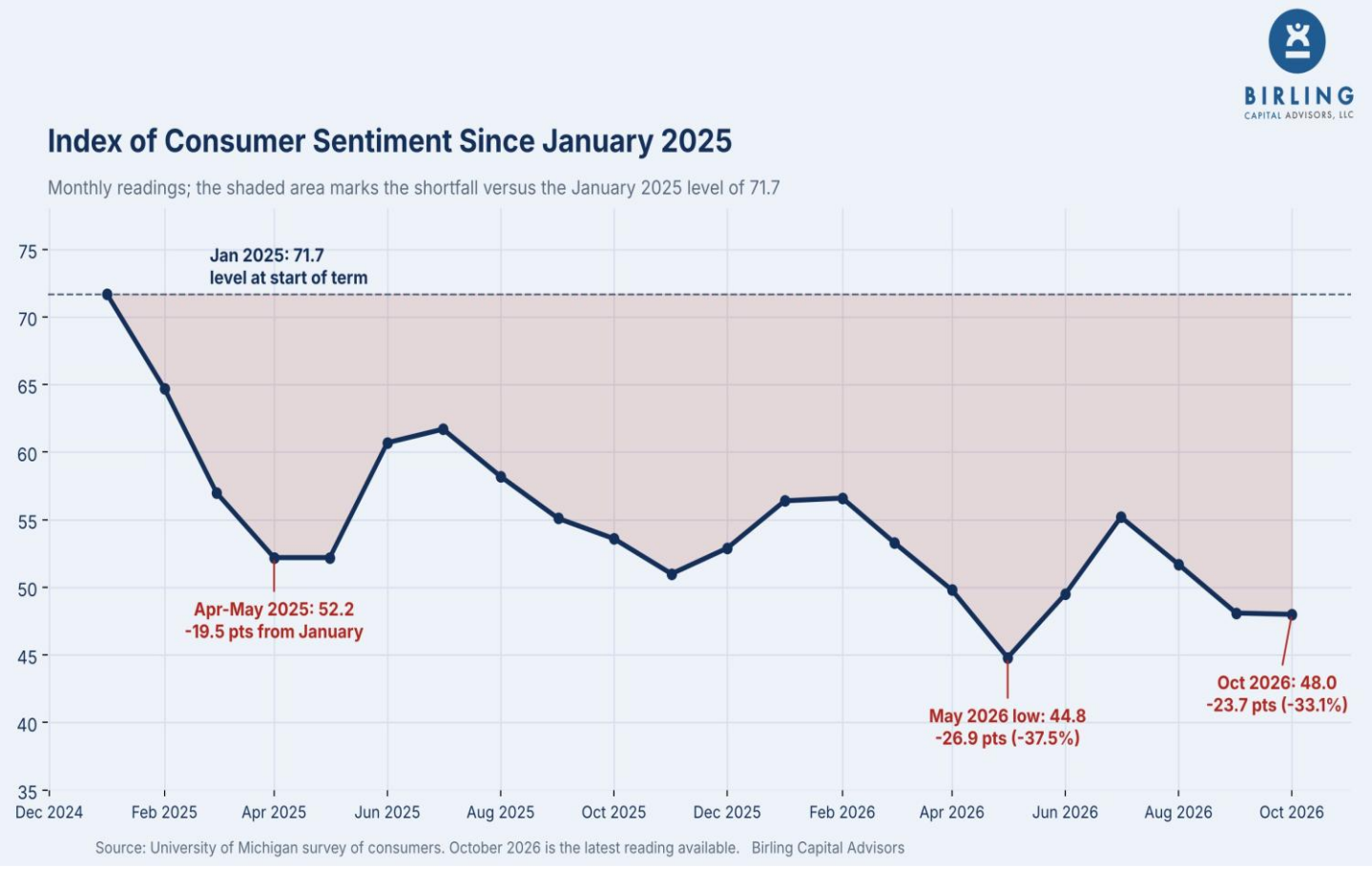
Eurozone Summary:

- **Stoxx 600:** Closed at 635.77, down 1.97 points, or 0.31%.
- **FTSE 100:** Closed at 10,690.36, down 34.67 points, or 0.32%.
- **DAX Index:** Closed at 25,181.65, down 190.10 points, or 0.75%.

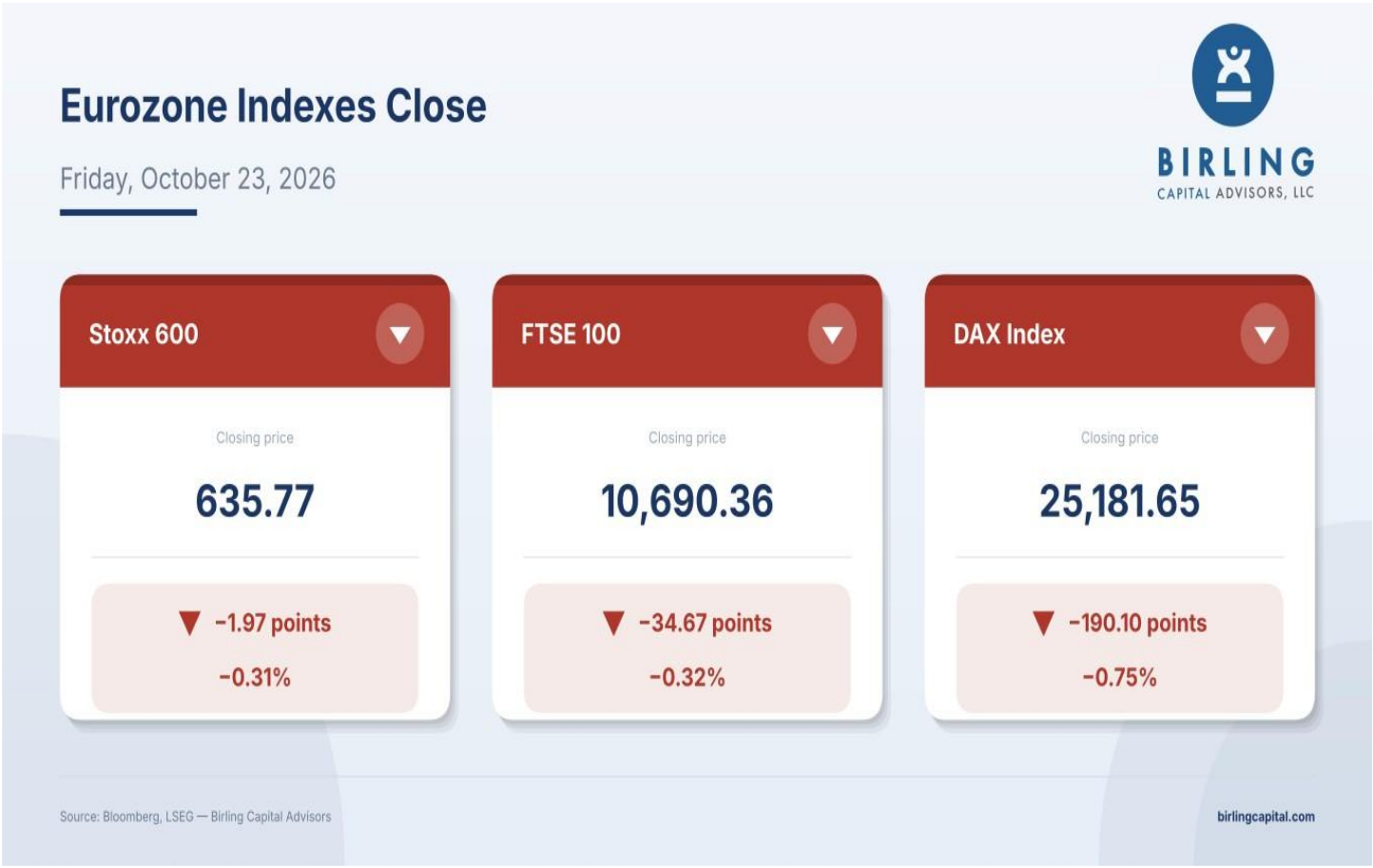
Wall Street Summary:

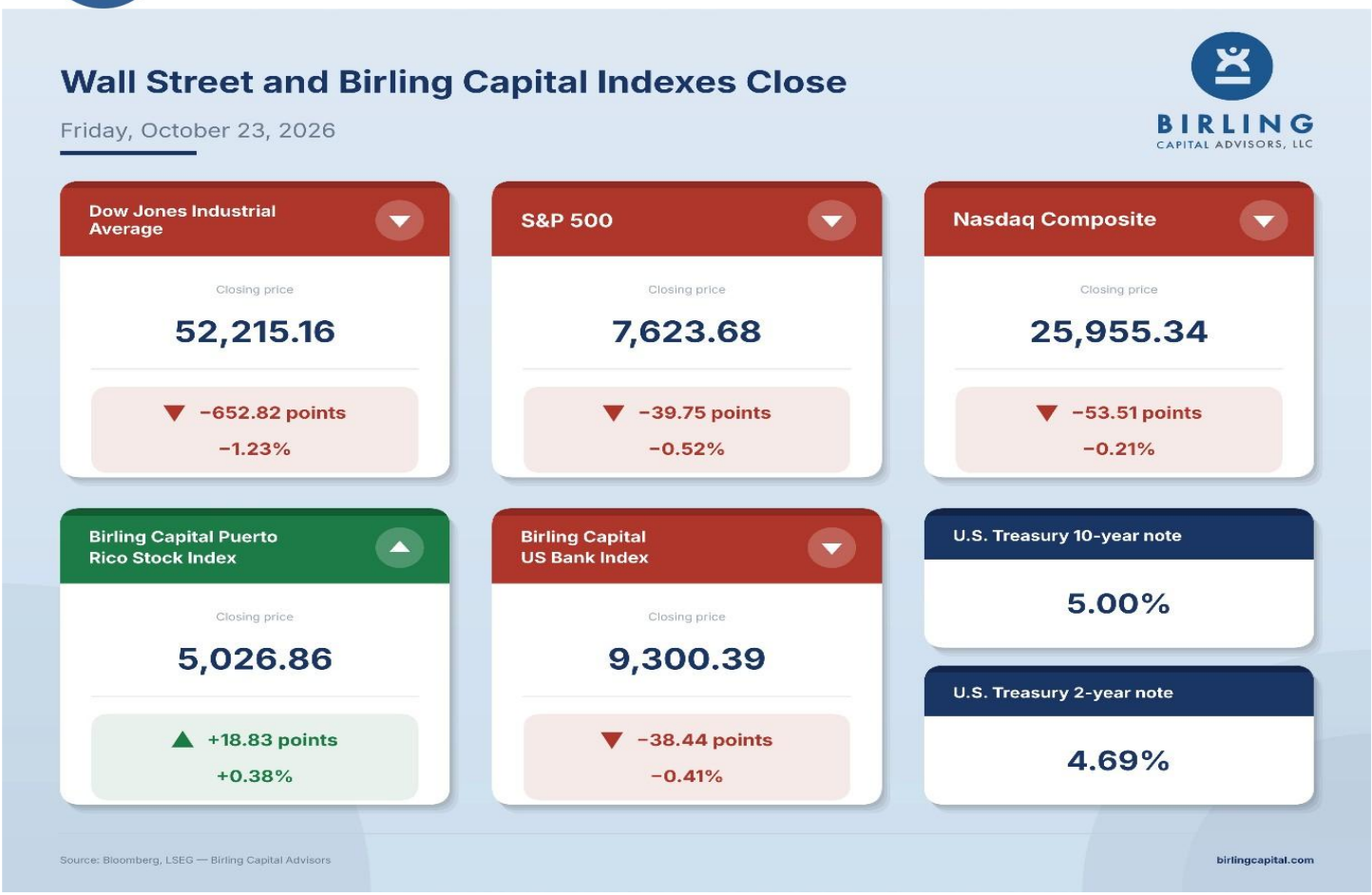
- **Dow Jones Industrial Average:** closed at 52,215.16, down 652.82 points, or 1.23%.
- **S&P 500:** closed at 7,623.68, down 39.75 points, or 0.52%.
- **Nasdaq Composite:** closed at 25,955.34, down 53.51 points, or 0.21%.
- **Birling Capital Puerto Rico Stock Index:** closed at 5,026.86, up 18.83 points, or 0.38%.
- **Birling Capital US Bank Index:** closed at 9,300.39, down 38.44 points, or 0.41%.
- **US Treasury 10-year note:** closed at 5.00%.
- **US Treasury 2-year note:** closed at 4.69%

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