Wall Street Rallies as Anthropic's IPO Filing Revives Appetite for AI and Chip Stocks

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U.S. and European stock markets closed higher Monday as Anthropic's IPO filing gave investors a fresh reason to buy AI and semiconductor shares. The Dow gained 0.28%, the S&P 500 rose 0.70%, and the Nasdaq Composite advanced 0.83%, a rebound after the S&P 500 and the Nasdaq posted back-to-back weekly losses.
With the Federal Reserve's policy decision, third-quarter GDP, and earnings from Alphabet, Microsoft, and Amazon still ahead, the week offered several tests of whether the recovery could hold.

U.S. Markets
U.S. equities finished higher Monday, led by technology. The Dow Jones Industrial Average gained 146.42 points, or 0.28%, to 52,368.58. The S&P 500 rose 53.09 points, or 0.70%, to 7,676.77, and the Nasdaq Composite advanced 214.03 points, or 0.83%, to 26,169.38. It was a welcome change after weeks of concerns about the pace of data-center spending weighed on the AI trade.
Anthropic supplied the catalyst. The company filed publicly for an IPO and plans to list on the Nasdaq under the symbol "ANT." Its filing showed revenue of $16.29 billion for the six months ended June, up 1,304% from $1.16 billion a year earlier. Investors are betting the offering will restore momentum to a technology sector that had lost it. Jay Woods of Freedom Capital Markets called the filing "a big confidence booster" and expected strong demand.
Other AI financing news added to the risk appetite. Meta Platforms outlined plans to raise $95 billion in equity capital, starting with about $35 billion in common and preferred stock offerings. SpaceX CEO Elon Musk said the company had closed a $40 billion debt deal to finance AI chips. Together with the Anthropic filing, the announcements showed capital still flowing toward AI infrastructure.
Semiconductors led the rebound. The iShares Semiconductor ETF rose nearly 3%, with Nvidia up 2.4%, Micron up 3%, Broadcom up 2.3%, and Advanced Micro Devices up 2.8%. The recovery came from a deeply oversold position: the ETF remained roughly 25% below its high, in bear-market territory, and had fallen 13% in October alone.
Treasury yields stayed elevated. The benchmark 10-year yield closed at 5.00% and the 2-year at 4.68%, keeping borrowing costs high even as equities rebounded. One strong session does not settle the central question: this week's earnings must show that cloud demand and AI adoption can generate enough operating cash flow to support the scale of investment now being funded.

European Markets
European equities closed higher as investors positioned for a demanding week of central bank decisions and corporate results. The regional recovery accompanied broader gains in global equities, although elevated energy costs continued to complicate the outlook.
For European companies, the challenge remained twofold: protecting margins against expensive energy while sustaining demand amid restrictive financing conditions. A durable improvement in sentiment would require stronger earnings visibility and greater confidence in the inflation outlook.
The three indexes we follow closed higher: Stoxx 600, up 4.89 points; FTSE 100, up 76.97 points; and DAX Index, up 229.19 points.

Energy Markets
Oil prices retreated during Monday's trading as investors assessed renewed diplomatic efforts to reduce tensions involving Iran. WTI traded around $101–$102 per barrel, but energy markets remained sensitive to developments affecting the prospects for restoring reliable transit through the Strait of Hormuz.
Diplomatic progress could reduce the geopolitical premium embedded in crude prices. Sustained relief, however, would depend on improvements in shipping access and supply reliability. Until then, elevated fuel costs remained a constraint on household purchasing power and corporate margins.

Economic & Policy Outlook
The week's calendar put monetary policy, economic growth, and corporate investment in the spotlight. The Federal Reserve's Wednesday decision would be followed by the advance estimate of third-quarter GDP on Thursday. Investors also awaited results from Alphabet and Microsoft on Wednesday and Amazon on Thursday.
The Fed faced a difficult balance. Elevated energy prices threatened to prolong inflation pressure, while financial-market volatility and expensive credit could restrain investment and consumption. A decision to hold rates steady would therefore leave considerable attention on the accompanying guidance.
Last week's bond-market strength reinforced the value of diversification, as falling yields supported bond prices and helped cushion equity volatility. Monday's return of the 10-year yield to 5.00% reminded us that this protection remains sensitive to inflation and energy prices.
For corporate earnings, the most useful measures extended beyond headline growth. Operating cash flow, capital expenditures, financing needs, and returns on invested capital help distinguish sustainable expansion from growth that depends on increasingly costly funding.

The Final Word
The week's challenge was to turn expectations into evidence. Strong earnings could support equities, but lasting confidence required disciplined investment, dependable cash generation, and a credible path from AI spending to shareholder returns.

Economic Update:

- **Japan Business Conditions Composite Coincident Index:** fell to 118.80, down from 120.60 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 640.66, up 4.89 points, or 0.77%.
- **FTSE 100:** Closed at 10,767.33, up 76.97 points, or 0.72%.
- **DAX Index:** Closed at 25,410.84, up 229.19 points, or 0.91%.

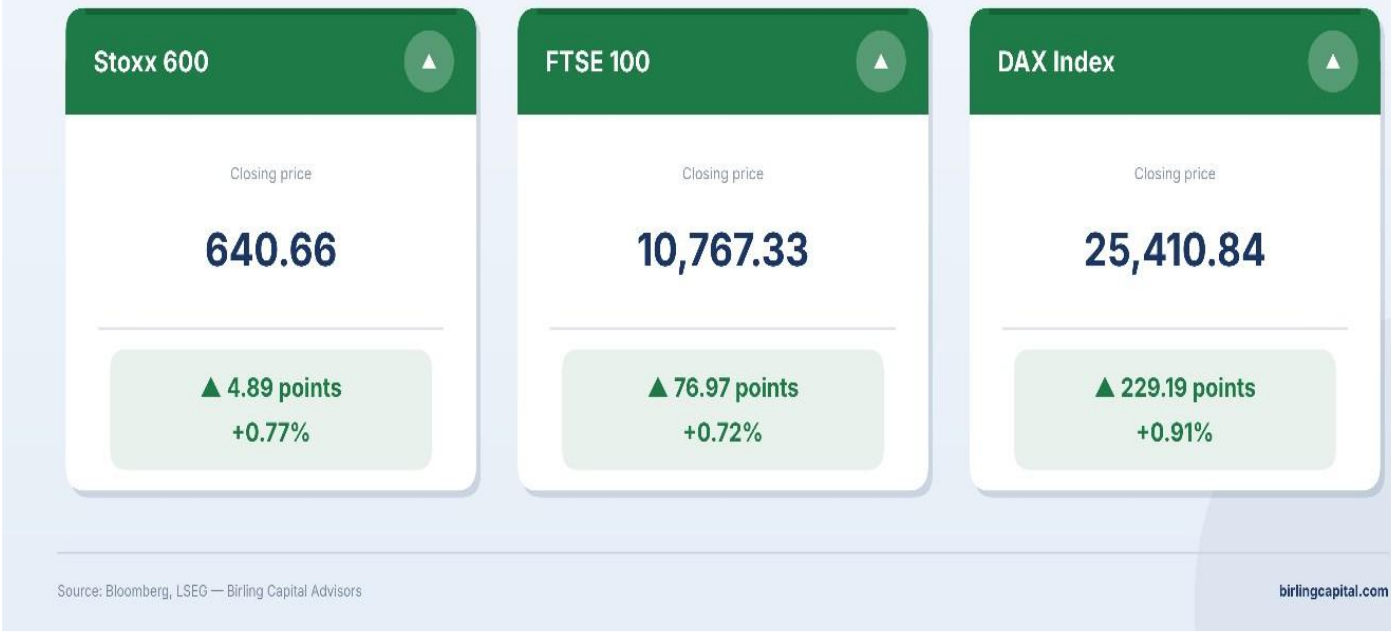
Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 52,361.58, up 146.42 points, or 0.28%.
- **S&P 500:** closed at 7,676.77, up 53.09 points, or 0.70%.
- **Nasdaq Composite:** closed at 26,169.38, up 214.03 points, or 0.83%.
- **Birling Capital Puerto Rico Stock Index:** closed at 5,012.13, down 14.73 points, or 0.29%.
- **Birling Capital US Bank Index:** closed at 9,161.75, down 138.64 points, or 1.49%.
- **US Treasury 10-year note:** closed at 5.00%.
- **US Treasury 2-year note:** closed at 4.68%

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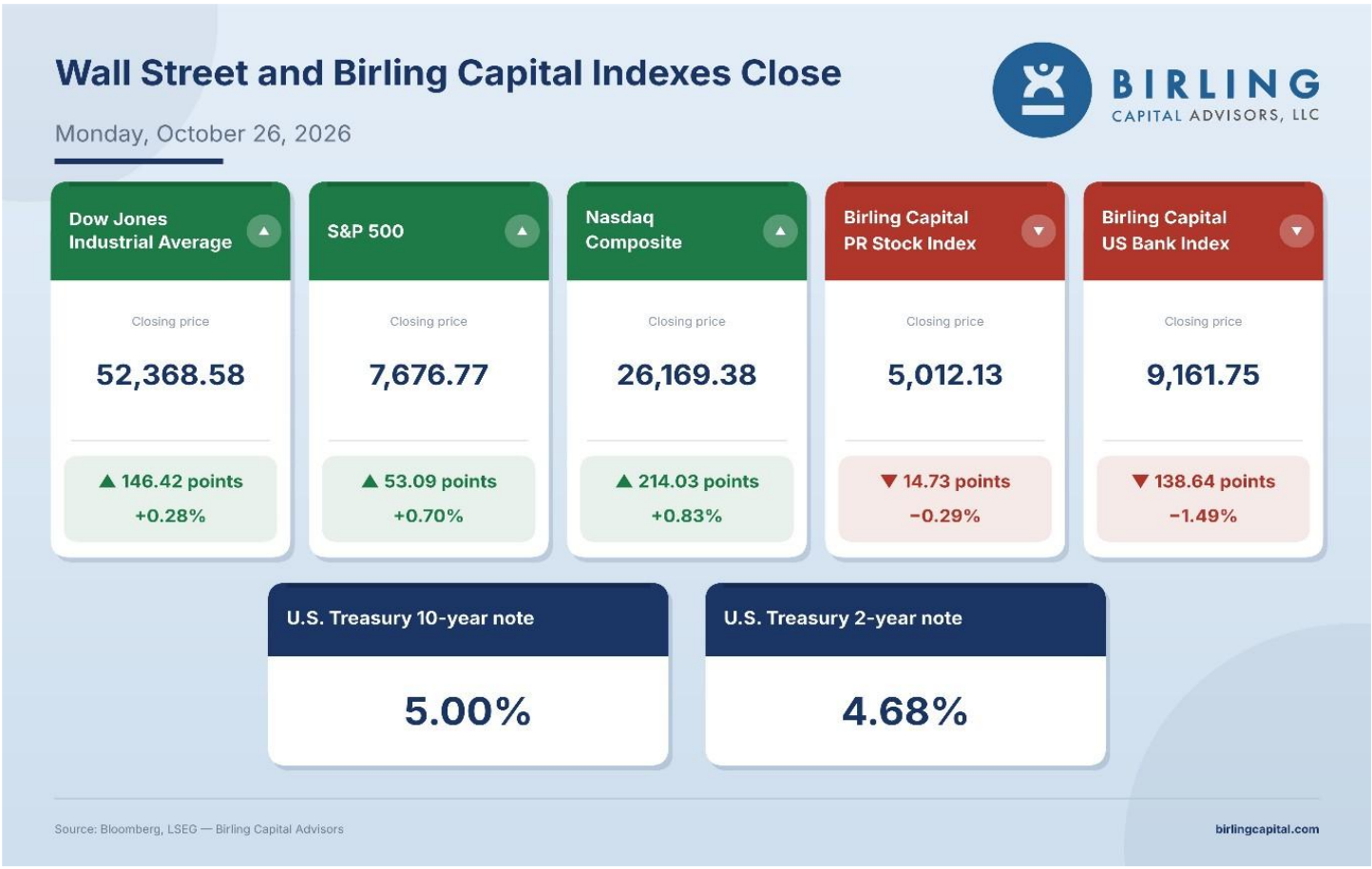
European Indexes Close

Monday, October 26, 2026



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