# Nasdaq Leads Wall Street Declines as AI Revenue Concerns and Rising Oil Prices Weigh on Sentiment

**October 8, 2026**

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The U.S. and European stock markets faced renewed pressure Thursday as higher oil prices increased inflation concerns and questions about artificial intelligence revenues weighed on technology shares. Wall Street closed mixed, with the Dow posting a modest gain while the S&P 500 and Nasdaq declined. Lower Treasury yields provided some relief, but investors remained focused on whether corporate earnings could justify elevated valuations amid persistent energy and financing costs.

**U.S. Markets**

Technology shares led the retreat as reports that OpenAI's revenue fell short of expectations prompted investors to reassess the pace of AI commercialization. The selloff highlighted the market's growing demand for measurable returns from substantial investments in computing capacity and infrastructure.

The Nasdaq fell approximately 1.25%, while the S&P 500 declined about 0.47%. The Dow edged higher by roughly 0.09%, reflecting a more uneven session than a broad market selloff. In our view, investors remained receptive to the AI investment story, but increasingly selective about the revenues and profitability supporting it.

Treasury yields retreated following solid demand at this week's auctions, with the 10-year yield near 5.23% late in the session. The decline offered some relief from recent borrowing-cost pressures, although yields remained elevated.

**European Markets**

European equities broadly declined as rising crude prices and geopolitical uncertainty weighed on sentiment. Asian markets also retreated overnight.

For Europe, higher energy costs presented renewed pressure on household purchasing power and business margins. Investors also remained attentive to government borrowing costs, particularly in France, where fiscal concerns continued to complicate the investment outlook.

**Energy Markets**

WTI crude rose toward $91 per barrel as Hurricane Isaias threatened Gulf production and precautionary infrastructure shutdowns heightened supply concerns. Middle East tensions added another source of uncertainty.

In our view, the economic significance extended beyond crude prices: sustained increases in fuel costs could raise transportation and operating expenses, slowing progress on inflation while squeezing consumer spending power.

**Economic & Policy Outlook**

**Jobless Claims: Limited Layoffs, but Slower Hiring**

Initial unemployment claims declined to 197,000, below expectations of 200,000, while continuing claims edged up to approximately 1.72 million.

The figures pointed to limited layoffs, supporting household income and consumption. However, low claims did not necessarily signal strong hiring. The labor market continued to show employers

retaining existing workers while cautiously adding positions. For the Federal Reserve, that resilience preserved room to address inflation without clear evidence of a sharp employment deterioration.

**Federal Reserve: Further Tightening Remained in Focus**
The September meeting minutes, released Wednesday, reinforced the prospect of additional tightening before year-end. The accompanying projections showed that 16 of 18 officials anticipated at least one further rate increase in 2026, while expectations for 2027 remained divided.

Our base case remained two additional quarter-point increases over the next year, bringing the upper end of the federal funds target range to approximately 4.50%. We viewed that path as a measured policy adjustment, with its market impact dependent on inflation, employment, and the persistence of higher energy prices.

**The Final Word: Earnings Must Deliver**
Thursday's session underscored that enthusiasm alone could not sustain elevated valuations. With oil prices rising and further Fed tightening still possible, earnings growth, cash generation, and disciplined capital investment would increasingly determine market leadership.

**GDPNow Update:**

- GDPNow for the third quarter of 2026 fell to 3.60% from 3.70%, a decrease of 2.70%.

**Economic Data:**

- **US Initial Claims for Unemployment Insurance**: fell to 197,000 from 199,000 last week, down 1.01%.
- **US 4-Week Moving Average of Initial Claims for Unemployment Insurance**: fell to 198,000, down from 200,500 last week.
- **US Wholesale Inventories MoM**: fell to 0.46%, compared to 1.38% last month.
- **30 Year Mortgage Rate**: rose to 7.40%, compared to 7.28% last week.

**Eurozone Summary:**

- **Stoxx 600**: Closed at 625.51, down 4.74 points, or 0.74%.
- **FTSE 100**: Closed at 10,441.60, down 16.90 points, or 0.16%.
- **DAX Index:** Closed at 24,806.97, down 297.39 points, or 1.18%.

**Wall Street Summary:**

- **Dow Jones Industrial Average**: closed at 51,231.64, up 51.77 points or 0.10%.
- **S&P 500**: closed at 7,765.36, down 36.41 points or 0.47%.
- **Nasdaq Composit**e: closed at 27,193.34, down 345.35 points or 1.25%.
- **Birling Capital Puerto Rico Stock Index**: closed at 4,795.55, down 53.52 points or 1.10%.
- **Birling Capital U.S. Bank Index**: closed at 9,382.91, down 92.12 points or 0.97%
- **U.S. Treasury 10-year note**: closed at 5.22%.
- **U.S. Treasury 2-year note**: closed at 4.75%.

# The Federal Reserve Bank of Atlanta
## GDPNow Forecast for the Third Quarter 2026

### GDPNow Estimate For The Third Quarter Of 2026
Thursday, October 8, 2026




**Latest update, Oct 8**

**3.60%**

▼ 0.10 points

-2.70%

vs. 3.70% on Oct 6

Source: Federal Reserve Bank of Atlanta GDPNow — Birling Capital Advisors

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### U.S. Initial Claims For Unemployment Insurance
Week ended Saturday, October 3, 2026




**Week ended Oct 3**

Initial claims

**197,000**

▼ 2,000 (-1.01%) vs. prior week

4-week moving average

**198,000**

▼ 2,500 (-1.25%) vs. prior week

from 200,500

Source: U.S. Department of Labor — Birling Capital Advisors

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## U.S. Wholesale Inventories Month Over Month

Month of August 2026




**August 2026**

Month-over-month change

**+0.46%**

▼ 0.92 points

vs. July

**July: +1.38%**

Source: U.S. Census Bureau — Birling Capital Advisors

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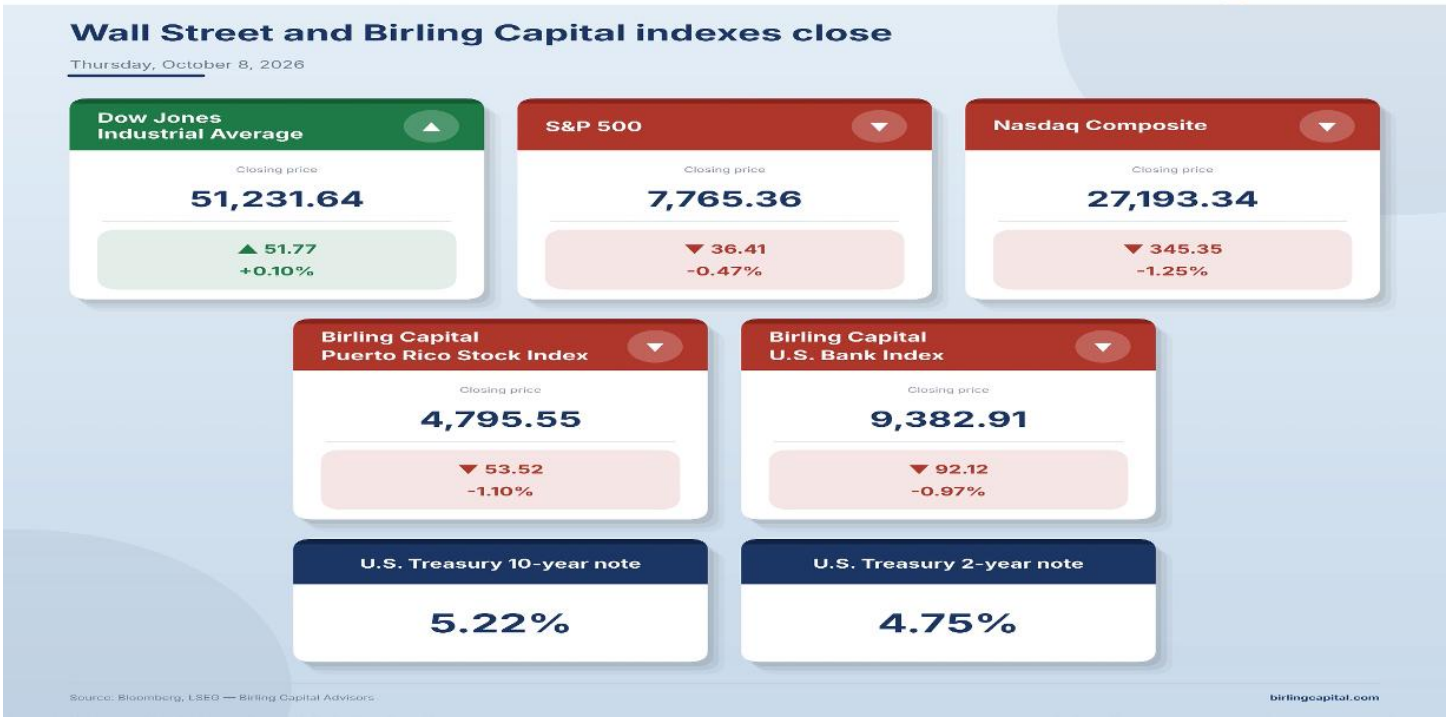
## Eurozone indexes close

Thursday, October 8, 2026

| Stoxx 600 ▼ | FTSE 100 ▼ | DAX Index ▼ |
|---|---|---|
| Closing price | Closing price | Closing price |
| 625.51 | 10,441.60 | 24,806.97 |
| ▼ 4.74 | ▼ 16.90 | ▼ 297.39 |
| -0.74% | -0.16% | -1.18% |

Source: Bloomberg, LSEG — Birling Capital Advisors

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