Wall Street ends down as US-Iran peace optimism fades

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Summary Companies

Sportswear brand On tumbles after second-quarter results

S&P 500 -0.32%, Nasdaq -0.60%, Dow -0.34%

Aug 11 (Reuters) - Wall Street ended lower on Tuesday, with Amazon and Alphabet dipping, as investors became more pessimistic about a potential deal to bring stability to the Middle East.

The Strait of Hormuz will remain closed as long as the U.S. does not change its behavior and accept Iran's conditions to end the war, the newly appointed secretary of Iran's Supreme National Security Council said.

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Brent crude futures held near one-week highs in choppy trading, while the S&P 500 energy sector index (.SPNY) climbed 1.1%.

"As has been the case for months, it's just really hard to come to an agreement that works for everyone. Oil is a little higher, pricing in more uncertainty around that," said Ross Mayfield, investment strategy analyst at Baird in Louisville, Kentucky.

"The market has obviously gyrated around this conflict at times, but it hasn't been the big headwind that a lot of people imagined it might be."

Amazon (AMZN.O) dipped 2.1% and Alphabet (GOOGL.O) fell 3.8%, both weighing on the S&P 500 and Nasdaq. SpaceX (SPCX.O) declined almost 4%.

Alternative asset managers rose, with Apollo Global (APO.N) up 6.2% and Blackstone (BX.N) rallying almost 4%. They were among financial institutions that recently partnered with Nvidia (NVDA.O) to establish compute-financing platforms aimed at mobilizing more than $500 billion.

S&P 500 components so far in 2026

The S&P 500 declined 0.32% to 7,728.20 points.

The Nasdaq dropped 0.6% to 26,445.45 points, while the Dow Jones Industrial Average declined 0.34% to 53,791.85 points.

Even as the S&P 500 dipped, advancing issues outnumbered falling ones (.AD.SPX) by a 1.2-to-one ratio.

Traders work on the floor of the New York Stock Exchange (NYSE) in New York City, U.S., August 7, 2026. REUTERS/Jeenah Moon

The S&P 500 posted 22 new highs and one new low; the Nasdaq recorded 108 new highs and 75 new lows.

Strong quarterly earnings helped lift the S&P 500 to all-time highs last week, while the Nasdaq (.IXIC) was down about 2% from its record high close on June 2.

Signs that heavy investments by Microsoft and Amazon in AI data centers are paying off have also lifted sentiment.

Consumer and producer price inflation readings, due over the next two days, will be crucial in shaping market expectations on the Federal Reserve's policy path, given Chair Kevin Warsh's goal of reducing guidance on monetary policy.

Traders are split over the likelihood of an interest rate hike at the central bank's September meeting, according to the CME FedWatch tool.

Rising energy costs, stemming from the Iran conflict, have spurred inflation concerns and complicated the paths of central banks globally.

Jabil (JBL.N) climbed 5.9% after UBS upgraded the electronics firm's stock to "buy" from "neutral."

U.S.-listed shares of On tumbled 20.3% after the sportswear brand missed sales estimates.

LNG company Venture Global (VG.N) fell 7.3% after its second-quarter revenue slightly missed estimates.

Volume on U.S. exchanges was relatively light, with 15 billion shares traded, compared to an average of 17.6 billion shares over the previous 20 sessions.

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