

# MarketWatch

## U.S. stocks turn lower as defensive sectors sell off

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By Wallace Witkowski and Anora Mahmudova

*Qualcomm to buy NXP Semiconductors*



*Getty Images*

*Ford's net profit was more than halved.*

U.S. stocks turned lower on Thursday as a selloff in defensive sectors such as real estate and utilities outweighed upbeat earnings results and deal news between NXP Semiconductors and Qualcomm.

The S&P 500 index SPX, -0.20% fell 4.40 points, or 0.2%, to 2,138, with eight of 11 main sectors trading lower. Real-estate stocks were down nearly 2%, while utilities and industrials declined nearly 1%. The Health-care sector was leading gainers, boosted by better-than-expected earnings from Celgene Corp. CELG, +5.81%

"The market is down slightly due to a spike in 10-year Treasury yields to 1.86% in just a few hours. Bonds in general have been a crowded long trade and now that the outlook for the U.K. economy after better-than-expected GDP has shifted, there is an unwinding of these trades," said Michael Antonelli, equity sales trader at Robert W. Baird & Co.

The Dow Jones Industrial Average DJIA, -0.02% was down 20 points, or 0.1%, to 18,177.

The Dow industrials on Wednesday stood out with a 0.2% rise, boosted by results for Boeing Co. BA, -1.73% while disappointment from Apple Inc. AAPL, -0.50% earnings dragged the rest of the market south.

The Nasdaq Composite COMP, -0.33% fell 14 points, or 0.3%, to 5,235.

Antonelli also noted that investors are waiting for the outcome of the presidential election on Nov 8.

"We are unlikely to see anything other than sideways trade until after the elections," he said.

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Top executives weigh in on AT&T-Time Warner deal

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Top executives who spoke at WSJDLive this week, from Netflix's Reed Hastings to Microsoft's Satya Nadella, offered their thoughts on the AT&T-Time Warner merger.

Stocks have struggled this week, and are set to log losses for October. "A mixed earnings season in the U.S. makes a rally to higher ground difficult to justify," said Lee Wild, head of equity strategy at Interactive Investor, in a note to clients.

"There just isn't the consistency right now, and a U.S. election less than two weeks away lessens conviction among investors," added Wild.

**Mark Kepner**, managing director of sales and trading at **Themis Trading**, said that earnings reports have helped markets from falling during the period that is usually volatile. "Earnings have been not been spectacular to be a catalyst for markets to go higher, but they definitely helped markets stay close to all-time highs," **Kepner** said.

Data: The number of people who applied for unemployment benefits last week fell by 3,000 to 258,000, extending a period of extremely low layoffs last seen in the early 1970s.

Orders for long-lasting goods made in the U.S. fell slightly in September, largely because of lower demand for military hardware and computers.

Pending-home sales for September and third-quarter rental vacancies are scheduled for release at 10 a.m. Eastern.

Stocks to watch: NXP Semiconductors N.V. NXPI, +1.45% shares popped up 1.2% after the chip maker said it's in a deal to be acquired by Qualcomm Inc. QCOM, +3.17% that would value NXP at about \$38 billion. Qualcomm shares rallied 3.7%.

Shares of Twitter TWTR, +1.30% rose 3.9% as the social-media company's profit and sales beat expectations, and said it would lay off 9% of its workforce.

Ford Motor Co. F, -1.64% shares were off 0.5% after the auto maker's third-quarter profit dropped 56%. Per-share operating profit of 26 cents a share, however, were ahead of expectations.

Tesla Motors Inc. TSLA, +4.11% shares were up 5% after the electric-car maker late Wednesday delivered a surprise profit and better-than-expected revenue.

ConocoPhillips COP, +4.64% issued an upbeat full-year outlook as its quarterly adjusted loss of 66 cents a share was narrower than the anticipated 68 cents a share. Shares rose 2%.

Colgate-Palmolive Co. CL, -0.81% posted third-quarter sales that missed the consensus view.

Celgene Corp. CELG, +5.81% shares rose 3.6% after the company boosted its outlook for the year and reported results that easily topped expectations in the latest quarter.

Read: Riding high on profit, Tesla's Elon Musk promises much, trash-talks nearly everyone

After the close, results from Google parent Alphabet Inc. GOOGL, -0.75% , Amazon.com Inc. AMZN, -0.33% and LinkedIn Corp. LNKD, -0.36% are due.

Check out earnings previews for Alphabet , Twitter, Amazon

Read: Alphabet spinning off driverless cars into stand-alone business

Other markets: Asian markets ADOW, -1.10% had a mostly weaker session, weighed somewhat by weak Chinese industrial profits. In Europe SXXP, -0.30% stocks traded mixed as investors absorbed earnings from Deutsche Bank AGDBK, +1.73% DB, +0.31% , which reported a surprise profit.

The dollar DXY, +0.01% was little changed against rivals, while gold GCZ6, +0.28% rose modestly. Oil prices CLZ6, +1.34% traded slightly higher after upbeat U.S. supply data.

— Carla Mozée contributed to this report.