

# MarketWatch

## Stock market closes lower for week as losing streak stretches to 3rd session

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### Extends decline after U.S. drops 'mother of all bombs' in Afghanistan

Stocks fell Thursday to close at session lows, cementing a three-day losing streak and a decline for the holiday-shortened week as investors dealt with the start of earnings season and intensifying geopolitical jitters.

The U.S. dropping the largest nonnuclear weapon in its arsenal on a complex of caves in Afghanistan did little to encourage traders into a buying mood, with stocks extending losses after reports of the bombing mission.

"There are concerns about the geopolitical landscape, and that is putting us into a stalemate," said Peter Kenny, senior market strategist at Global Markets Advisory Group. "Markets are being held in check in terms of any kind of major upward bias or a major selloff. My sense is that we'll see a choppy market with little upward bias for some time."

The Dow Jones Industrial Average DJIA, +0.10% fell 138.61 points, or 0.7%, to close at its session low at 20,453.25, with shares of Chevron Corp. CVX, +0.54% down 2.6%, and Caterpillar Inc. CAT, +0.02% down 1.9%, leading declines.

The S&P 500 index SPX, +0.17% dropped 15.98 points, or 0.7%, to its session low of 2,328.95, as all 11 of the index's sectors finished lower, with energy and financial stocks among the largest decliners, down 1.8% and 1.3%, respectively.

Both the Dow and the S&P 500 had closed below their 50-day moving averages for the first time since early November on Wednesday, a bearish sign for near-term momentum.

Read: Why the VIX might not be such a reliable 'fear gauge' right now

The Nasdaq Composite COMP, +0.15% fell 31.01 points, or 0.5%, to close at a session low of 5,805.15.

For the week, the Dow fell 1%, the S&P 500 dropped 1.1%, and the Nasdaq fell 1.2%.

Trading volumes were light on Thursday, in advance of market closures in observance of Good Friday, and ahead of Easter.

See: Which financial markets are closed on Good Friday?

Financials were in focus after J.P. Morgan Chase & Co. JPM, -0.42% Citigroup Inc. C, +0.03% and Wells Fargo & Co. WFC, -0.34% reported quarterly results. While J.P. Morgan and Citigroup both beat expectations in their latest quarter, helped by gains in their trading divisions, Wells Fargo's revenue fell short of forecasts, and the bank remains stuck in the spotlight for its recent sales-practices scandal.

Shares of J.P. Morgan fell 1.2%, Citigroup declined 0.8%, and shares of Wells were some of the worst performers on the S&P 500 with a 3.3% decline.

Wells Fargo shares were also hurt after Warren Buffett's Berkshire Hathaway Inc. BRK.A, -0.02% BRK.B, -0.12% said it sold more than 7 million shares of the stock between April 10 and April 12 to keep its stake under 10%.

The three were among the earliest major companies to report this earnings season, and as such, provided the first glimpse into how American corporations is faring in the current environment, where expectations for growth are high, but so are valuations by many metrics.

As banks, their earnings in particular have been highly anticipated. The sector was the best-performing group in the wake of President Donald Trump's November election victory, lifting the overall market, but that rally has stalled. On Wednesday, the group turned negative for the year.

In recent days, trading has also been marked by concerns over the crisis in Syria and heightened tensions between the U.S. and North Korea. U.S.-Russia relations may be "an all-time low," Trump said, as diplomats struggled to resolve differences over Syria.

Trump said the dollar "is getting too strong" and that he would prefer if the Federal Reserve kept interest rates low, speaking in an interview with The Wall Street Journal published Wednesday afternoon.

"I think the bank earnings we saw today were very good but not necessarily blowout numbers," said **Mark Kepner**, managing director of sales and trading at **Themis Trading**, in an interview. "I think the combination of 'just good' earnings and Trump's comment yesterday are weighing on financials."

Moreover, **Kepner** pointed out that volumes are very low heading into the holiday weekend, so even slight shifts had an effect on Thursday's market.

"The mood that investors will take from the bank earnings is predicated on what guidance looks like, and so far it remains constructive, if a tad lower than expectations. We could see a little less enthusiasm for banks going forward, and they'll likely act as a modest headwind for any move higher," said GMA's Kenny.

Trump's comments also sent the dollar DXY, -0.11% and U.S. Treasury yields lower.

Read: Dollar remains under pressure after Trump says it's too strong

Gold GCM7, -0.03% has benefited, as investors look for a safe place to invest amid the heightened geopolitical tensions. Prices for the precious metal settled higher for a third straight day Thursday, rising 0.8% to \$1,288.50 an ounce, its highest close for the metal since early November.

Stocks to watch: New York-based tech startup Yext Inc. YEXT, -0.22% surged 22% in its trading debut, after its initial public offering was priced at \$11 a share.

Abbott Laboratories ABT, -0.12% shares fell 1.9% after the Food and Drug Administration issued a warning letter related to its implantable heart defibrillators.

Warrior Met Coal Inc. priced its initial public offering at \$19 a share Thursday, at the high end of its expected range.

United Continental Holdings Inc. UAL, +0.09% shares fell 1.2% following a press conference from ejected passenger David Dao's lawyer.

In the latest economic data, weekly first-time jobless claims fell slightly in the latest week, dropping to 234,000. Separately, the producer-price index fell 0.1% in March, though core PPI—which excludes food, energy, and trade—was up 0.1%.

A preliminary reading of consumer sentiment from the University of Michigan also came in at a reading of 98 in April from 96.9 in March, better than Wall Street expectations and highlighting a trend of upbeat so-called soft data, or sentiment and survey reports, which haven't yet translated into concrete improvements in consumption and spending.

Other markets: Oil prices US:CLK7 settled up 0.1% at \$53.18 a barrel, swinging from losses earlier in the session, following a slight increase in the number of U.S. rigs.

Stocks in Asia closed mainly lower, while European bourses were mired in red.

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—Sara Sjolín in London contributed to this article.