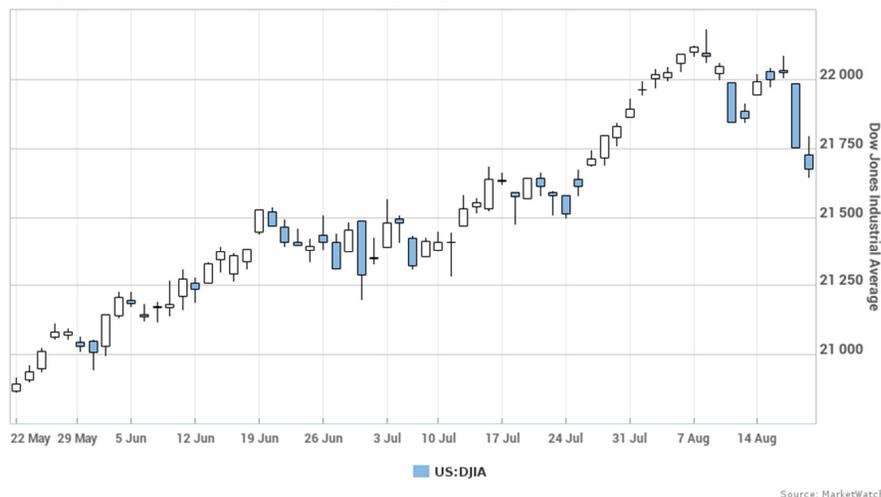


MarketWatch

Dow, S&P 500 halt skid, but Nasdaq ends lower a 3rd session in a row on light volume

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Published: Aug 21, 2017 4:35 p.m. ET

Analyst: 'Market sentiment is fairly negative'



Dow industrials have been sliding.

The Dow industrials and S&P 500 eked out slight gains to close higher and halt a two-session decline on a light-volume Monday, while the Nasdaq finished in the red as investors remained cautious amid geopolitical tensions and ongoing domestic political turmoil.

The large-cap S&P 500 index SPX, -0.12% finished up 2.82 points, or 0.1%, at 2,428.37, with 8 of its 11 main sectors closing higher. So-called cyclical sectors, such as technology, financials and energy finished lower. Energy stocks were hit the hardest as oil futures US:CLU7 settled down 2.4% at \$47.37 a barrel oil producers met to talk about waning compliance to OPEC output cuts.

The Dow Jones Industrial Average DJIA, -0.09% which on Friday logged its largest two-week decline since mid-September, closed up 29.24 points, or 0.1%, at 21,703.75, led by shares of Home Depot Inc. HD, -0.16% advancing 1.2%. Capping gains for blue chips were Nike Inc. NKE, -0.06% 's stock which continued a multisession slump, down 2.4% on Monday as the behemoth athletic-apparel retailer's stock was downgraded to hold from buy at Jefferies on worries growing U.S. competition.

The Nasdaq Composite Index COMP, -0.15% meanwhile, declined 2.82 points, or less than 0.1%, to close at 6,213.13. The index has retreated for three straight sessions and four out of the past five.

Market sensitivity to trades is particularly acute Monday given the extremely light volume, said **Mark Kepner**, managing director of sales and trading at **Themis Trading**, in an interview.

“I think it’s a combination of a Monday in August—even more so because we’re through earnings season—plus you have Jackson Hole this week,” **Kepner** said, adding that many traders seem to be hanging on the sidelines ahead of that event. The Kansas City Fed’s Jackson Hole symposium in Wyoming runs from Thursday to Saturday this week, with appearances by Fed Chairwoman Janet Yellen and European Central Bank President Mario Draghi.

By the close, volume on the New York Stock Exchange stood at 2.74 billion shares, while volume on the Nasdaq was 1.55 billion shares.

Month to date, average volume for the NYSE has been 3.21 billion shares, while average daily volume for the Nasdaq has been 1.88 billion. Total composite average daily volume is 6.16 billion shares. All are below the year-to-date average, according to Dow Jones data.

Some analysts suggested that geopolitical tensions and turmoil in Washington have been hamstringing the market from recovering after a recent bout of volatility.

“Even though the S&P 500 is currently only 2.2% below its Aug. 7 all-time high, the market’s current technical action points to the possibility of a decline of deeper proportions,” said Sam Stovall, chief investment strategist at CFRA, in a note Monday.

Stovall said the erosion in price momentum of the cyclical sectors, such as technology and financials that had been leading the recent rally, have been adding to the downbeat sentiment.

Other analysts said geopolitical threats will continue to dampen risk appetite among investors.

“With earnings season coming to an end, there is not much to be bullish about right now,” said Richard Perry, a Hantec Markets analyst, in a note Monday.

“Market sentiment is fairly negative with geopolitical risk still elevated on the Korean Peninsula,” Perry said, adding that “the political risk of Trump’s presidency remains a driving factor.”

A new cycle of escalation near the Korean Peninsula looked set to begin as the U.S. and South Korea on Monday kicked off annual military exercises that have a history of enraging North Korea.

President Donald Trump was due to lay out a path for U.S. strategy in Afghanistan in a nationally televised speech Monday night. On Tuesday, Trump is scheduled to speak at a campaign-style rally in Phoenix as he tries to move on from his much-criticized response to the white-supremacist violence in Charlottesville, Va.

Other markets: The ICE U.S. Dollar Index DXY, +0.04% reversed a drift lower and was up fractionally, while gold futures GCQ7, -0.29% settled up 0.4% at \$1,296.70 an ounce. European equities SXXP, +0.46% lost ground, while Asian markets closed mixed. The yield on the 10-Year Treasury TMUBMUSD10Y, +0.36% declined to 2.183%. Yields and bond prices have an inverse relationship.

Deal news: Shares in Sempra Energy SRE, -0.05% finished up 1.5% following news the San Diego Gas & Electric parent has reached a deal to buy Oncor for \$9.45 billion, swooping in to snatch the power-transmission company away from Warren Buffett’s Berkshire Hathaway Inc. BRK.A, -0.13%

In European deal news, French oil giant Total SA TOT, -0.45% FP, -0.14% has agreed to acquire Danish conglomerate A.P. Moeller-Maersk A/S's AMKBY, -2.36% MAERSKB, -1.95% oil unit for \$7.45 billion, the latest sign activity is returning to the sector following a three-year slump in oil prices.

Herbalife Ltd. HLF, -0.49% shares surged 9.8% after announcing a self-tender offer and confirming it recently held talks on a going-private transaction. The health products distributor said it has commenced a modified Dutch auction self-tender offer to buy for cash up to \$600 million of its own shares.

Stocks to Watch: Shares of Foot Locker Inc. FL, -0.57% tumbled 7.5%, extending its slide on Friday, when the stock lost nearly a third of its value.

Shares of industrial miners were sharply higher. Freeport-McMoRan Inc. FCX, -0.85% closed up 4.1%, while Newmont Mining Corp NEM, -0.19% rose 2.2%.

Tenet Healthcare Corp. THC, +2.22% shares closed up nearly 15% after two board members resigned on Friday.

Target Corp. TGT, +0.43% shares rose 1.6% after the retailer provided more information to the Securities and Exchange Commission about its gross margin calculations.

Ulta Beauty Inc. ULTA, +0.96% shares fell 4.1% after analysts at Stifel cut their price target on the beauty products retailer.

U.S.-listed shares for Fiat Chrysler Automobiles NV FCAU, +2.36% FCA, +3.79% finished up 6.9% higher after China's Great Wall Motor Co. 2333, +0.60% reportedly expressed interest in buying the Italian-American car maker.

—Victor Reklaitis in London contributed to this article.