

MARKET SNAPSHOT: Dow Clings To Modest Gain, But Stocks Trade Mostly Lower After Economic Data

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Consumer-price index shows a rise of 0.4%, compared with economist estimates for a 0.3% increase

U.S. stock benchmarks traded mostly lower on Thursday following data on jobless claims and inflation. The Dow industrials, however, carved out a fresh all-time high, highlighting a record trend for Wall Street equities.

The S&P 500 index fell 2 points, or 0.1%, to 2,496, while the Dow Jones Industrial Average gained 10 points, or less than 0.1%, to 22,167, after setting an intraday record at 22,180.15. The Dow's uptrend was aided by gains in Boeing Co.(BA).

The Nasdaq Composite Index , meanwhile, slipped 13 points, or 0.2%, at 6,446.

Mark Kepner, managing director of sales and trading at **Themis Trading**, said he was sanguine about the outlook for the stock market. "If you look at the market and you look at the backdrop for equities, it is still pretty good right now," he said.

A reading on consumer prices, known as the consumer-price index, showed an increase of 0.4% (<http://www.marketwatch.com/story/higher-rents-gas-boost-inflation-in-august-cpi-shows-2017-09-14>) in August, beating consensus estimates for a rise of 0.3%, while first-time jobless claims (<http://www.marketwatch.com/story/us-weekly-jobless-claims-drop-ahead-of-irma-2017-09-14>) last week came in at 284,000, versus forecasts for 300,000.

Kate Warne, investment strategist at Edward Jones, said Thursday's data did little to change the policy plan for the Federal Reserve. Inflation data offered the first read of some of the early impact of Hurricane Harvey, which inundated the Houston area and resulted in the shut down of a trove of crude-oil refineries, driving gasoline prices higher.

"CPI was a bit above expectations," but market participants can't be surprised that higher gasoline prices and some other expected inputs moved inflation toward the Fed's 2% target, Warne said. She said the report was "not so strong that it's likely to change views that the Fed will continue to be cautious and slow in raising interest rates."

Inflation readings have been trending below the Federal Reserve's target and leading some to question whether the central bank would feel comfortable lifting benchmark interest rates once more in 2017.

On Wednesday, the S&P 500, Dow and Nasdaq Composite all gained between 0.1% and 0.2%, finishing at all-time closing highs for a second straight session (<http://www.marketwatch.com/story/us-stocks-set-to-lose-grip-on-all-time-highs-2017-09-13>).

The equity market's continued run to new heights, with the bull market in its ninth year, has raised concerns about stock valuations.

"The S&P 500 continues to confound skeptical investors, as it adds to its above-average number of new highs," said Sam Stovall, CFRA's chief investment strategist, in a note. The benchmark has scored 33 record closes this year, more than twice the annual average since 1945.

"Yeah, you always could run into this situation where you can have a 5% correction. That is always a possibility, warned **Themis Trading's Kepner**. "But I do not see any major structural issues with the market that could turn into a bear market," he said, referring to a decline of at least 20%.

Read:Stock market's 5-month win streak should cheer the bulls (<http://www.marketwatch.com/story/stock-markets-5-month-win-streak-should-cheer-the-bulls-2017-09-13>)

Earlier Thursday, North Korea made fresh threats (<http://www.marketwatch.com/story/north-korea-threatens-to-reduce-the-us-to-ashes-and-darkness-2017-09-14>)in response to the latest United Nation sanctions, vowing to sink Japan with a nuclear weapon and "reduce the U.S. mainland into ashes and darkness."

The aggressive rhetoric comes after the U.N. Security Council on Monday unanimously adopted new sanctions against North Korea targeting its exports and oil imports.

Economic and political news: Meanwhile, the Bank of England on Thursday kept its key interest rate on hold and made no changes to its quantitative-easing program, but warned that rates could rise faster than traders currently are pricing in. Those comments helped to drive the pound to \$1.33 against the U.S. dollar in recent trade.

Don't miss: Inflation data could give traders a surprise (<http://www.marketwatch.com/story/inflation-data-could-look-better-than-expected-thursday-analyst-says-2017-09-13>)

The ICE U.S. Dollar Index (<http://www.marketwatch.com/story/dollar-weakens-after-3-day-rise-ahead-of-us-inflation-report-2017-09-14>) was 0.2% lower Thursday, despite the better-than-expected economic readings, but it has gained about 1% this week, paring its year-to-date loss to around 9.6%.

On the political front, President Donald Trump and top Democrats appear to be nearing a deal to give legal status to the children of illegal migrants, but also were disputing what they had agreed on so far. Trump tweeted early Thursday that (<https://twitter.com/realDonaldTrump/status/908272007011282944>) no deal had been reached yet, after Democrats late Wednesday said they had an agreement (<http://www.marketwatch.com/story/top-democrats-announce-daca-deal-with-trump-that-excludes-wall-funding-2017-09-13>) with him to enact protections for "Dreamers" in exchange for increased border-security measures that don't include funding for a wall.

Other markets: European stocks (<http://www.marketwatch.com/story/european-stocks-pull-back-after-signs-chinas-economy-is-faltering-2017-09-14>) bounced around, while Asian markets closed with losses (<http://www.marketwatch.com/story/asian-markets-slump-after-disappointing-data-on-chinas-growth-2017-09-13>) after weaker-than-anticipated data on China's industrial activity (<http://www.marketwatch.com/story/chinas-industrial-output-grows-less-than-expected-2017-09-14>).

Oil futures traded higher, while gold futures were roughly unchanged, paring firmer losses.

Stocks to watch: Shares in Equifax Inc.(EFX) fell 0.1%, putting the credit-reporting company's stock on track to extend a huge selloff sparked by its disclosure last week of a massive data breach.

See: Equifax down 31% since breach disclosure, erasing \$5 billion in market cap (<http://www.marketwatch.com/story/equifaxs-stock-has-fallen-31-since-breach-disclosure-erasing-5-billion-in-market-cap-2017-09-14>)

Lattice Semiconductor Corp.'s stock (LSCC) rose 1.4% after Trump nixed a pending buyout (<http://www.marketwatch.com/story/cfius-blocks-sale-of-lattice-semiconductor-to-canyon-bridge-fund-2017-09-13-16911918>) of the chip company by a group of Chinese investment funds, citing national security concerns.

See: Trump stops China from buying into U.S. chip industry, but what's next? (<http://www.marketwatch.com/story/trump-stops-china-from-buying-into-us-chip-industry-but-whats-next-2017-09-13>)

After the close

Shares in Oracle Corp.(ORCL) was trading flat as the software giant is due to post quarterly earnings after the close.

Read: Oracle earnings--cloud sales expected to top new software licenses for first time (<http://www.marketwatch.com/story/oracle-earnings-cloud-sales-expected-to-top-new-software-licenses-for-first-time-2017-09-13>)

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