

Weak results from IBM, others send US stock indexes lower

July 21 2015, by Alex Veiga



This July 9, 2015 photo shows a Wall Street sign near the New York Stock Exchange in New York. U.S. stocks were mostly lower in early trading Tuesday, July 21, 2015, following weak corporate earnings results from IBM, United Technologies and other big companies. (AP Photo/Seth Wenig)

U.S. stocks moved lower in afternoon trading Tuesday, on course for their first broad decline in three days. Weak results from IBM, United Technologies and other companies weighed on the market. Apple and

Microsoft were among the other big-name companies reporting earnings later in the day.

KEEPING SCORE: The Dow Jones industrial average fell 201 points, or 1.1 percent, to 17,898 as of 2:30 p.m. Eastern Time. The Standard & Poor's 500 index shed eight points, or 0.4 percent, to 2,119. The Nasdaq composite slid six points, or 0.1 percent, to 5,211. Tuesday's declines follow three straight gains for the S&P and Nasdaq.

THE QUOTE: "The market is being cautious, waiting for a little more direction," said Ian Kerrigan, global investment specialist at J.P. Morgan Private Bank. "There are people who are taking some gains out there and waiting a little while to see what happens with Greece, what happens with China, what happens with the Fed."

ALL ABOUT EARNINGS: About 60 percent of the companies in the S&P 500 report over the next two weeks. Investors are combing the results to get a read on how the economy is doing. But it's still early days. Roughly 12 percent of the S&P 500 companies have reported so far. Some 70 percent of them have beaten Wall Street's already low expectations.

"Today's weakness is somewhat expected," said Terry Sandven, chief equity strategist at U.S. Bank Wealth Management. "Investors appear to be in a listen-only mode as we await greater clarity on second-quarter results."

SECTOR WATCH: Nine of the 10 sectors in the S&P 500 index declined, with telecommunications stocks falling the most. The sector was down 2.2 percent. Energy stocks rose slightly.

REVENUE MISS: IBM slumped 6.2 percent following a mixed earnings report late Tuesday. The business software company delivered better-

than-expected earnings, but its revenue fell short of financial analysts' forecasts. The stock slumped \$10.66 to \$162.56.

ROUGH QUARTER: United Technologies slid 7.6 percent after the aerospace giant's latest earnings didn't meet forecasts. The company also cut its outlook for 2015, citing weaker sales of Otis elevators in Europe and China's slowing economy. The stock lost \$8.43 to \$102.05.

DIVIDEND GONE: Chesapeake Energy slid 6.6 percent on news that the energy company has axed its annual dividend and will redirect the money into its 2016 capital spending program. The move comes as natural gas and crude are in an extended decline with few signs of a rebound. The stock lost 67 cents to \$9.60.

HIGH ON THE HOG: Harley-Davidson surged after the motorcycle maker's second-quarter earnings beat Wall Street expectations. The stock added \$2.75, or 5 percent, to \$57.69.

MARKETS OVERSEAS: In Europe, Germany's DAX was down 1.1 percent, while the CAC-40 in France fell 0.7 percent. The FTSE 100 index of leading British shares slipped 0.3 percent. In Asia, Japan's Nikkei 225 added 0.9 percent and South Korea's Kospi gained 0.5 percent. Hong Kong's Hang Seng rose 0.6 percent. The Shanghai Composite Index in mainland China rose 0.6 percent.

ENERGY: Benchmark U.S. crude rose 21 cents to close at \$50.36 a barrel in New York. Brent crude, a benchmark for international oils used by many U.S. refineries, climbed 39 cents to close at \$57.04 a barrel in London.

METALS: Precious and industrial metals futures ended mixed. Gold fell \$3.30 to \$1,103.50 an ounce, silver edged up two cents to \$14.77 an ounce and copper edged down less than a penny to \$2.48 a pound.

BONDS: U.S. government bond prices rose. The yield on the 10-year Treasury note fell to 2.34 percent from 2.38 percent late Monday.

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