

U.S. Stocks Drop on Economic Growth Concerns

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By Will Horner

Global stocks edged lower Friday as investors gauged fresh economic data and the health of businesses amid continuing worries about a viral outbreak that threatened economic growth.

The Dow Jones Industrial Average dropped 246 points, or 0.9%, shortly after the opening bell. The S&P 500 slipped 0.5%. The tech-heavy Nasdaq Composite

The World Health Organization on Thursday declared the coronavirus -- which has now sickened more than 9,500 people and killed 213 -- a public-health emergency concern. Although the move highlighted the risk the outbreak posed globally, the WHO stopped short of recommending restrictions on travel or trade. Meanwhile, person-to-person transmission of the virus, escalating concerns about its spread.

"Everyone is a little bit in the dark," said Lars Kreckel, global equities strategist at Legal & General Investment Management. "But the conclusion for most is of GDP -- and so, a bit of a hit to global GDP -- but not something that will derail global growth. A bump in the road."

The growing contagion has roiled markets in recent days as investors attempt to assess whether the virus could weigh on China's economy as businesses and flights suspended, while also gauging the outbreak's wider impact.

The outbreak comes as some big manufacturers have exhibited signs of strain, raising concerns about the economy.

On Friday, bellwether company Caterpillar said it expects demand for its machinery to fall this year, citing global economic uncertainty that crimped sales in the earlier this week reported its first annual loss in more than two decades, as one of its aircrafts has been grounded world-wide. 3M is planning layoffs during a

Still, fresh data released Friday showed that U.S. consumers continued to spend in December, continuing a year-long trend. Household spending rose a seasonally adjusted 0.2% from November. Personal income advanced 0.2% last month. The spending figures were in line with economists' expectations, while the personal income expectations.

The volatile week for stocks has been marked by explosive moves in shares of individual companies, particularly some technology companies.

Amazon.com jumped 9% after the e-commerce giant's fourth-quarter sales set a record following a strong holiday period. It is poised to become the fourth U.S. company with a \$1 trillion market value.

Tesla's stock continued to soar after the electric car maker reported its third consecutive quarter of record vehicle deliveries. Its shares jumped 10% Thursday and higher Friday.

International Business Machines rose about 3.9% after the technology company said Chief Executive Ginni Rometty is stepping down following a challenging

"There was a belief going into earnings season that expectations of tech companies were so high that whatever happened, investors would be disappointed," she said. "It hasn't happened."

Elsewhere, the pan-continental Stoxx Europe 600 gauge fell 0.5% while stocks in Asia were mixed. The Hang Seng Index closed 0.5% lower, and exchanges

Fresh data on major European economies proved to be a disappointment on Friday. France's output shrank in the fourth quarter as strikes and protests against a pension plan curtailed business activity. Italy's economy also contracted, when economists had been expecting output to remain flat. The euro area also grew less than economists had forecast.

The weaker-than-expected European data suggests that any boost to gross-domestic-product growth will take longer to materialize, said Brian O'Reilly, head of the Dublin-based Mediolanum International Funds.

"There was definitely a sense of euphoria that was priced into the market," Mr. O'Reilly said. "But we are not expecting a rebound in global GDP at least until we think it will just take time for confidence to build."

The U.K.'s FTSE 100 index dropped 0.9% after the country reported its first two cases of the virus. The number of people sickened by the new coronavirus in the global total infected with severe acute respiratory syndrome, or SARS, which killed nearly 800 people after emerging from southern China in late 2002 and spread

Gunjan Banerji contributed to this article.

Write to Will Horner at William.Horner@wsj.com

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