

## U.S. MARKETS

# U.S. Stocks Tick Lower a Day After Hitting Records

Some investors are wary of a slowdown in economic growth, particularly overseas

*By Georgi Kantchev and Amrith Ramkumar*

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U.S. stocks inched lower amid concerns about the health of the world economy, a day after strong earnings propelled the S&P 500 to a record.

Wednesday's subdued market moves came after strong earnings reports boosted stocks earlier this week, in a year marked by a more cautious Federal Reserve and a stabilizing economy. This year's powerful rally marks a reversal from the fourth quarter of 2018, when a selloff dragged the Nasdaq Composite into bear-market territory and left the S&P 500 teetering on the edge of ending its longest bull run ever.



Traders at the New York Stock Exchange on Tuesday. PHOTO: BRENDAN MCDERMID/REUTERS

Still, some investors remain wary of a slowdown in economic growth moving forward, particularly overseas. Data released Wednesday showed German business sentiment fell in April, indicating that Europe's biggest economy continued

to lose steam.

Analysts said Wednesday that concerns China may slow stimulus measures following stronger-than-expected first-quarter growth were also damping investor sentiment. Traders were awaiting the latest moves in trade negotiations between Beijing and Washington, which are slated to restart next week.

“There are still some one-off events that might affect us, particularly as markets are already expecting some kind of a resolution to the China-U.S. talks,” said Ghadir Cooper, global head of equities at Barings.

The S&P 500 fell 6.43 points, or 0.2%, to 2927.25, after it registered its first record close of 2019 on Tuesday. It is still up 17% so far this year. The Dow Jones Industrial Average edged down 59.34 points, or 0.2%, to 26597.05, putting it 0.9% below last October’s record close.

The tech-laden Nasdaq Composite declined 18.81 points, or 0.2%, to 8102.01 after earlier in the day logging an intraday record following its first record close of the year on Tuesday.

In a sign that investors were more anxious about the pace of economic growth, the yield on the benchmark 10-year U.S. Treasury note fell to 2.522%, from 2.570% a day earlier. Bond yields drop as prices rise, though they have recovered since hitting a 15-month low late last month with investors selling ultrasafe Treasuries and favoring riskier assets.

In recent days, companies such as Twitter, aerospace giant Lockheed Martin and industrial conglomerate United Technologies have reported solid results, helping ease worries of a sharp earnings slowdown. Boeing, Texas Instruments and eBay were among the companies whose stocks were rising Wednesday following their latest numbers.

Investors have been looking to the earnings season for clues about the strength of businesses and the economy, with profit results so far generally coming in better than many had feared.

“Earnings expectations were dialed down. It turns out things are much better,” said Randy Warren, chief investment officer of Philadelphia-based Warren Financial. “Markets have the support to go higher.”

The bar is significantly lower, however, after steep downgrades to 2019 earnings forecasts in recent months.

Boeing shares added \$1.44, or 0.4%, to \$375.46 after the company said it would take an initial hit of more than \$1 billion on the global grounding of the 737 MAX jetliner following two fatal crashes as the plane maker suspended full-year financial guidance.

Shares of eBay climbed \$1.85, or 5%, to \$38.52 after the e-commerce company's raised its revenue and profit outlook.

In the energy sector, Anadarko Petroleum jumped \$7.41, or 12%, to \$71.40 after Occidental Petroleum offered to purchase the shale driller for \$38 billion, launching a potential bidding war for a company that previously agreed to be purchased by Chevron for about \$33 billion.

Among other market laggards, AT&T and Caterpillar each fell more than 3% following their latest results.

In Europe, the Stoxx Europe 600 switched between gains and losses and ended down 0.1%, following modest declines across most Asian markets. Hong Kong's Hang Seng index fell 0.5%, while Japan's Nikkei Stock Average dropped 0.3%.

### **Corrections & Amplifications**

The S&P 500 registered its first record-high close of 2019 on Tuesday. An earlier version of this article incorrectly stated the day.

**Write to** Georgi Kantchev at [georgi.kantchev@wsj.com](mailto:georgi.kantchev@wsj.com) and Amrith Ramkumar at [amrith.ramkumar@wsj.com](mailto:amrith.ramkumar@wsj.com)

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