

# US stocks sink as Apple drops

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US stocks have finished sharply lower as a morning rally fizzled and Apple shares dropped after unveiling a suite of upgraded smartphone, tablet and television products.

The Dow Jones Industrial Average on Wednesday fell 239.11 points (1.45 per cent) to 16,253.57.

The broad-based SP 500 dropped 27.37 (1.39 per cent) to 1,942.04, while the tech-rich Nasdaq Composite Index lost 55.40 (1.15 per cent) at 4,756.53.

US stocks rose earlier on Wednesday, following rallies in Asia and Europe, but turned negative at midday.

'The pattern of a see-saw market, one day up, one day down, is here for the time being and investors shift positions accordingly,' said David Levy, portfolio manager at Kenjol Capital Management.

Apple, the market heavyweight, fell 1.9 per cent after the tech giant launched the new iPhone 6S and 6S Plus with pressure-sensing capacity, a new iPad Pro and an improved Apple TV device.

'Investors were simply not thrilled with today's new product introductions,' said Paul Ausick of 24/7 Wall St.

Petroleum-related shares dropped as oil prices tumbled. Dow member Chevron lost 2.5 per cent, Apache fell 4.5 per cent and driller Nabors Industries slumped 5.1 per cent.

United Continental advanced 0.3 per cent after the surprise announcement late on Tuesday that United Airlines chief executive Jeff Smisek would be replaced by Oscar Munoz and two other United executives were also stepping down in connection with a federal investigation involving the regional airport authority.

Yahoo climbed 2.0 per cent despite disclosing that the Internal Revenue Service had refused to promise that it would guarantee a tax-free designation for the spin-off of its Alibaba holdings. Morgan Stanley expressed confidence that the plan would still win the key tax-free status, citing the opinion of Yahoo's tax counsel.

Shares in Chinese internet giant Alibaba jumped 5.1 per cent.

Netflix rose 4.5 per cent, snapping a seven-day losing streak for the video streaming company.

Macy's shed 0.5 per cent after disclosing plans to close 35-40 stores as it prunes underperforming stores while focusing on digital shopping.

Bond prices were mixed. The yield on the 10-year US Treasury held steady at 2.19 per cent, while the 30-year dipped to 2.95 per cent from 2.97 per cent on Tuesday. Bond prices and yields move inversely.

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