

US stocks drift lower ahead of jobs report

By AFP

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US stocks drifted lower Thursday on the eve of the highly anticipated jobs report, seen as a litmus test for a Federal Reserve increase in interest rates.

The Dow Jones Industrial Average dipped 4.15 points (0.02 percent) to 17,863.43.

The broad-based S&P 500 lost 2.38 (0.11 percent) at 2,099.93, while the tech-rich Nasdaq was the laggard, dropping 14.74 (0.29 percent) to 5,127.74.



US stocks drifted lower on the eve of the highly anticipated jobs report, seen as a litmus test for a Federal Reserve increase in interest rates ©Brendan Smialowski (AFP/File)

"Given nervousness ahead of the jobs report ... you see a little more risk-off mentality today," said Michael James of Wedbush Securities.

"We've broadly gone through the bulk of earnings season, so the primary driver for stocks moving forwards from now to the end of the year, which is historically a very favorable period for markets, is primarily going to be what action the Fed takes, along with what direction oil prices take," said David Levy of Kenjol Capital Management.

Falling oil prices hit Dow members Chevron and ExxonMobil, down 2.3 percent and 1.4 percent, respectively.

Facebook rocketed 4.6 percent to a record \$108.76 as investors welcomed an 11 percent rise in third-quarter profits to \$891 million behind a 41 percent surge in revenues to \$4.5 billion, with big gains in mobile advertising.

Qualcomm slumped 15.3 percent after the chipmaker projected earnings of 80-90 cents per share in the current quarter, below the \$1.08 seen by analysts.

Cybersecurity company FireEye plunged 24.9 percent after projecting full-year revenues of \$620-\$628 million, below the \$640.8 million expected by analysts. FireEye said its business has underperformed in Europe due to macroeconomic factors and the company's "growing pains" in the region.

Biotech company Celgene lost 5.3 percent as it reported a \$34 million loss for the third quarter due to costs related to its acquisition of Receptos and a research venture with Juno Therapeutics.

Whole Foods Market shed 2.1 percent as net income for the quarter ending September 27 dropped 56.3 percent due in part to decline in comparable store sales.

Vacations listing service HomeAway surged 25.3 percent on news it will be acquired by Expedia for \$3.9 billion. Expedia advanced 2.3 percent.

Ralph Lauren Corporation gained 16.1 percent on fiscal second-quarter earnings of \$2.13 per share that easily topped expectations of \$1.74 per share. Profit margins were boosted by lower sourcing costs and less discounting.

Bond prices fell. The yield on the 10-year US Treasury rose to 2.24 percent from 2.23 percent Wednesday, while the 30-year advanced to 3.00 percent from 2.89 percent. Bond prices and yields move inversely.

<http://www.dailymail.co.uk/wires/afp/article-3305442/Facebook-surges-earnings-US-stocks-edge-higher.html>