

## US stocks drop ahead of earnings; Allergan hit

Wednesday, 06 April 2016 03:26

[Posted by Fawad Maqsood](#)



NEW YORK: Wall Street stocks dropped Tuesday on worries about weak first-quarter earnings as drugmaker Allergan slumped on new US tax rules that threaten the drugmaker's takeover by Pfizer.

At the closing bell, the Dow Jones Industrial Average stood at 17,604.45, down 132.55 points (0.75 percent).

The broad-based S&P 500 shed 20.82 (1.01 percent) to 2,045.31, while the tech-rich Nasdaq

Composite Index dropped 47.83 (0.98 percent) to 4,843.96.

Companies in the S&P 500 are expected to see a 4.2 percent drop in earnings for the first-quarter, according to S&P Capital IQ.

"Investors are in a wait-and-see mode as we prepare for the earnings season to evaluate whether the recovery we've seen from the February lows should be justified or whether stocks have gotten ahead of themselves," said David Levy, portfolio manager at Republic Wealth Advisors.

Dublin-based Allergan plummeted 15.2 percent as the US Treasury announced new rules to discourage mergers between US and foreign businesses designed to sharply lower the US company's tax bill. Dow member Pfizer added 2.0 percent.

<http://www.brecorder.com/markets/equity/americas/288962-us-stocks-drop-ahead-of-earnings:-allergan-hit.html>