



U.S. stocks retreat as energy, materials stocks slump

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U.S. stocks came off session lows but were slumping Thursday, as tanking oil prices underpinned a selloff in energy and materials sectors.

Expectation that the Federal Reserve will raise interest rates next month, as a parade of speakers from the central bank are slated to offer further clues about the timing and pace of the first rate increase in nearly a decade, added to the dour mood.

The S&P 500 **SPX, -0.70%** fell 14 points, or 0.7%, to 2,060, with all 10 main sectors trading lower. Energy, materials and financials stocks led the decliners. The benchmark index has declined in six of the past seven sessions amid rate-hike talk.

The Dow Jones Industrial Average **DJIA, -0.91%** dropped 157 points, or 0.9, to 17,543, with all 30 blue-chip companies trading in negative territory. The blue-chips gauge had been as low as 186 points. Meanwhile, the Nasdaq Composite **COMP, -0.38%** declined 24 points, or 0.5%, at 5,042.

Investors took remarks from two Fed speakers early Thursday as fresh signals that the Fed is coming close to committing to an interest-rate increase in December.

Speaking at the Cato Institute St. Louis Fed President James Bullard said it was prudent to raise rates and shrink the Federal Reserve's balance sheet toward more "normal settings."

Meanwhile, Richmond Fed President Jeffrey Lacker said he doesn't think that recent low inflation "implies a more permanent departure from our target."

Some analysts were skeptical that the a rate-hike rhetoric was causing a selloff on Thursday.

"Markets don't sell off on something this telegraphed and if you look at futures market, the probability of a rate increase has not increased over the past week. The selloff is mostly due to weakness in commodities and European equities," said Michael Antonelli, equity sales trader at R.W Baird & Co.

Antonelli is looking at a support level of 2,056 on the S&P 500, which represents the 10-month moving average.

"If the S&P 500 breaks through that level, we might see a retest of September low and a catalyst for such pullback would be signs that China's slowdown is worse than expected," Antonelli said.

Crude-oil prices CLZ5, -2.56% continued to slide after a 3% skid on Wednesday, trading at \$42.20 a barrel. Crude prices extended their losses from the earlier session, following a U.S. government report that confirmed a weekly increase in U.S. oil inventories at a time when stockpiles should be shrinking. Late Tuesday, the American Petroleum Institute revealed a surprise spike in supplies, which rattled investors.

Data and Fed speakers: Investors will have to wade through several appearances by Fed officials on Thursday. The lineup includes Fed Chairwoman Janet Yellen, Chicago Fed President Charles Evans, New York Fed President William Dudley and Fed Vice Chairman Stanley Fischer.

In other economic news, the number of Americans who applied for unemployment benefits was unchanged in the first week of November, holding to near a 15-year low. Job openings rose in September to the second-highest level in the history of the series, the Labor Department reported Thursday.

Market movers: Advance Auto Parts Inc. AAP, -14.79% shares slumped 12% after quarterly results came in below expectations. The company also lowered its profit outlook and announced store closures, while its chief executive was retiring in the new year.

Kohl's Corp. KSS, +5.68% surged 8.4% after better-than-expected results. Energy and materials companies were among top decliners on the S&P 500. **Freeport McMoRan, Inc. FCX, -4.94%** slid 5.8%, **CONSOL Energy Inc. CNX, -2.25%** fell 4.6%. **CSCO, +0.54%** **El Pollo Loco Holdings Inc. LOCO, -3.14%** and **Nordstrom Inc. JWN, +2.17%** will report after the bell.

Other markets: European stocks **SXXP, -1.62%** posted losses across the board, while the euro EURUSD, +0.2327% briefly dipped below \$1.07 after yet more dovish comments from European Central Bank President Mario Draghi.

In Asia, Hong Kong **HSI, +2.40%** shares rallied, but the Shanghai Composite Index **SHCOMP, -0.48%** stayed under pressure on the view recent data may not inspire officials to loosen up monetary policy.

Gold **GCZ5, -0.41%** fell below Wednesday's close of \$1,088.50 an ounce, the lowest settlement in nearly half a decade.