

Apple Weighs On Nasdaq; Dow Climbs 72

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NEW YORK (AP) — For most of the year, Apple has propelled the Nasdaq composite index forward. The stock climbed from \$405 at the start of the year to more than \$630 last week, and the Nasdaq easily beat the gains of other indexes.

Now Apple is sliding the other way and taking the Nasdaq with it.

Apple stock dropped more than \$25 on Monday, its fifth straight day of declines. The losing streak has wiped out about \$60 billion of Apple's market value. That's more than the most optimistic projections of the value of Facebook.

Apple helped push the Nasdaq composite index down 22.93 points on Monday to 2,988.40. The index is now up about 15 percent for the year after almost reaching 20 percent by the end of March.

"It's been a very quirky market because it's been a few companies that have delivered most of the rally this year," said Mark Lamkin, CEO of Lamkin Wealth Management in Louisville, Ky. "It's not been a broad-based rally."

Apple, still the most valuable company in the world, accounts for 12 percent of the Nasdaq, more than any other stock. It has been on an almost uninterrupted climb for three years, powered by its hot iPhones and iPads.

But last week, a veteran technology analyst boldly issued a downgrade for Apple. He predicted that cellphone companies would probably stop offering such generous subsidies for customers to adopt the iPhone.

Investors may also be locking in profits and getting out before Apple reports earnings April 24. Even after the five-day decline, Apple stock is up 43 percent for the year.

"It's had a huge run," said Burt White, chief investment officer of LPL Financial in Boston. "Some investors probably said, 'Might as well take some profits.'"

The broader stock market was flat, helped by strong March retail sales but hurt by continuing concerns about rising borrowing costs for debt-troubled Spain. The Standard & Poor's 500 index dropped 0.69 point to 1,369.57.

Apple dragged down other technology stocks, which fell more than any other industry group in the S&P. Google, which went to trial Monday against Oracle in a copyright case over the Android phone, dropped for the second day in a row.

Utility stocks and banks rose, while energy companies and so-called consumer discretionary stocks fell.

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The Dow Jones industrial average rose 71.82 points to 12,921.41, a gain of 0.6 percent. All but six of the 30 stocks that make up the Dow rose for the day, explaining why it rose while the S&P was flat. Apple is not part of the Dow.

The government reported that retail sales rose 0.8 percent compared to the previous month, twice what analysts had been expecting. Skeptics noted that was less than February's 1 percent increase.

They also wondered whether the buying was just a result of the mild winter, rather than a sign of recovery: If people are buying lawn mowers and other warm-weather goods now, then they probably won't be later in the year. Building materials and garden equipment enjoyed the biggest jump in March.

"It's nice to see the retail sales were strong, but it's one month and it's one data point and it's not even the biggest data point," said Ryan Detrick, senior technical strategist at Schaeffer's Investment Research in Cincinnati. "Honestly, jobs are much more important."

Earlier this month, the government reported that the U.S. added 120,000 jobs in March, about half the pace of the previous three months.

Spain's borrowing costs climbed above the closely watched 6 percent mark as investors grew more worried about the country's ability to pay its debts. Seven percent is the rate at which other European countries have been forced to seek bailouts. Sweden cut its economic forecast for the year, saying that problems elsewhere in Europe were spreading its way.

The yield on the 10-year Treasury note was steady at 1.98 percent.

Among stocks making moves:

— Mattel plummeted more than 9 percent after reporting a 53 percent drop in first-quarter earnings. The country's largest toy maker is wrestling with lower sales of Hot Wheels and Barbies. It just bought HIT Entertainment, the company behind Thomas the Tank Engine and Bob the Builder.

— Endocyte doubled to \$7.62 after reporting that Merck, the world's second-largest drugmaker, will develop and market its experimental cancer drug. Endocyte, based in West Lafayette, Ind., has no products on the market.

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