



## BUSINESS NEWS

# Wall Street Slides as Investors Fret About Retail

By Noel Randewich

Reuters News

U.S. stocks fell on Thursday after worse-than-expected sales drops at Macy's and Kohl's sparked a selloff in shares of department stores and stirred fears that consumers are not spending enough to drive strong economic growth.

Macy's (M.N) dismal quarterly performance sent its shares tumbling 17 percent, taking a toll on the consumer discretionary sector .SPLRCD, which fell 0.59 percent.

Kohl's (KSS.N) dropped 7.86 percent after it reported a drop in quarterly sales, while shares of Nordstrom (JWN.N) and J.C. Penney Co Inc (JCP.N) each dropped more than 7 percent.

"The brick-and-mortar are getting hurt probably more than anybody would have expected," said Anthony Conroy, President of Abel Noser in New York.

The weak corporate reports left investors looking to April retail sales data due out on Friday for signs of whether consumers are simply shifting their spending habits away from department stores, or just aren't spending.



"It's a gut check about the health of the consumer," said Phil Blancato, Chief Executive of Ladenburg Thalmann

Asset Management. "It's a canary in the coalmine moment.

Eight of the 11 major S&P sectors declined. Financials .SPSY fell 0.53 percent, weighed down by a 1.79-percent loss in Wells Fargo (WFC.N).

"Any market pullback, if orderly, (is) healthy as long as the underlying fundamentals for the market are strong," said Matthew Peterson, chief wealth strategist at LPL Financial in Charlotte, North Carolina.

The Dow Jones Industrial Average .DJI fell 0.11 percent to end at 20,919.42 points and the S&P 500 .SPX lost 0.22 percent to 2,394.44.

The Nasdaq Composite .IXIC dropped 0.22 percent to 6,115.96.

Shares of Snap Inc (SNAP.N) plunged 21.45 percent after the Snapchat owner reported a slowdown in user growth and revenue in its first earnings report as a publicly-listed company.

Straight Path (STRP.A) fell 20.41 percent after it agreed to be taken over by Verizon (VZ.N) in a \$3.1 billion deal, snubbing a rival offer from AT&T (T.N).

Merck (MRK.N) rose 0.77 percent after the U.S. FDA cleared its lung cancer combination treatment.

Declining issues outnumbered advancing ones on the NYSE by a 1.58-to-1 ratio; on Nasdaq, a 1.73-to-1 ratio favored decliners.

The S&P 500 posted 16 new 52-week highs and 9 new lows; the Nasdaq Composite recorded 92 new highs and 65 new lows.

About 6.7 billion shares changed hands on U.S. exchanges, in line with the daily average over the last 20 sessions.