

THE WALL STREET JOURNAL.

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DIA 17683.58 ▼ 46.53 0.3% NASDAQ 4991.94 ▼ 17.27 0.3% NIKKEI 20112.12 ▼ 2.12% STOCK 400 379.68 ▼ 1.28% 10-YR. TREAS. A 1.964% 2.280% OIL \$52.53 ▼ \$4.40 GOLD \$1,172.90 ▲ \$9.90 EURO \$1.1056 YEN 122.57

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IN THE MARKETS

Stock Fall Is Muted After Greece Vote

BY CORRIE DRIEBUSCH

U.S. stocks fell after Greeks resoundingly rejected its creditors' conditions for further financial aid.

The price of oil also fell to a nearly three-month low, dragging down stocks.

The Dow Jones Industrial Average declined 46.53 points, or 0.3%, to 17683.58. Stocks spent midday trading around the flat line after earlier being down as much as 166 points. The S&P 500 dropped 8.02 points, or 0.4%, to 2068.76, and the Nasdaq Composite Index lost 17.27 points, or 0.3%, at 4991.94.

In Asia early Tuesday, the Shanghai Composite Index was down 3.8%, but Australia's S&P ASX 200 was up 1.8% and Japan's Nikkei was up 1.3%.

On Monday in the U.S., energy companies were the worst-performing group in the S&P 500, falling 1.3%.

Weighing on shares was news out of Greece, where more than 61% of the country's citizens voted "no" in Sunday's referendum on the terms for a bailout that included pension cuts, tax increases and other measures. The referendum was on whether to accept austerity terms de-

The Stoxx Europe 600 lost 1.2%, while Germany's DAX fell 1.5% and France's CAC-40 dropped 2%.

The euro initially tumbled before paring losses. Investors bought U.S. Treasury bonds, viewed as haven assets, pushing down the yield on the 10-year note to 2.280% from 2.393% Thursday. Bond yields fall as prices rise.

Greece's finance minister, Yannis Varoufakis, resigned, which many investors viewed as a positive sign for negotiations with creditors. "The prospect for a deal is better now that he's out," Mr. Wytenus said. "That's helping some of this market reaction."

Separately, volatility in Asian markets Monday spilled over to U.S. markets. Stocks in Hong Kong tumbled, with the Hang Seng Index notching its worst

Energy companies were the worst-performing group in the S&P 500

one-day performance since 2012, as Beijing took steps to halt the recent selloff in stocks, including encouraging stock buying with borrowed money.

manded by the country's creditors in exchange for further aid. The "no" vote appeared to increase the likelihood that Greece may eventually leave the eurozone.

Entering the weekend, many investors anticipated the result of the Greek referendum would be a "yes" vote, which European leaders had encouraged.

"What most banks and research shops were predicting was that the measure would pass, Greece would take some of its tough medicine and move on," said Erik Wytenus, global investment strategist at J.P. Morgan Private Bank. "What's more surprising is the muted market reaction."

Stocks and bonds in Europe fell, but the declines weren't as sharp as some investors had expected.

"It's a dangerous combination," said Jerry Braakman, chief investment officer of First American Trust, which manages \$1.1 billion, referring to the news out of Greece and China.

To him, the three-week selloff in Chinese stocks is more worrying than developments in Europe.

"When you look at the proportion of revenue derived from China for U.S. firms, it can be 30%, so if that economy is struggling it will be a much bigger story for the U.S. stock market than Greece," Mr. Braakman said. "Is it enough to derail the U.S. stock market? Not necessarily. But I think it will increase volatility and turmoil for the U.S. investor."

Among the worst-performing energy companies were **National Oilwell Varco**, whose shares were off \$2.36, or 5%, to \$45.06 a share, and **Transocean**, down 67 cents, or 4.3%, to 14.92.