



MARKET SNAPSHOT

Apple's slide pulls down S&P 500; U.S. stocks lower

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Published: July 22, 2015 11:09 a.m. ET



Apple's quarterly report hangs over the market Wednesday, and not in a good way.

U.S. stocks traded slightly lower on Wednesday, pulled down by a sizable loss in Apple Inc. shares following disappointing results.

The iPhone maker's shares tumbled 5%, shaving off about 4.2 points from the S&P 500, according to Howard Silverblatt, senior index analyst at S&P Dow Jones Indices.

The benchmark index [SPX, -0.29%](#) would have been in positive territory if it weren't for its biggest component, Apple. The index was off by 5 points, or 0.3%, to 2,114 with five of its 10 sectors trading lower. The technology sector dropped 1.6%, as investors dumped tech stocks following weaker-than-expected earnings results from both Apple Inc. and Microsoft Corp.

Apple's [**AAPL, -5.20%**](#) sales outlook for the current quarter [missed expectations](#) late Tuesday, while Microsoft [**MSFT, -2.86%**](#) posted its [biggest quarterly loss ever](#) on a write-down tied to its Nokia purchase.

The Nasdaq Composite [**COMP, -0.77%**](#) dropped 42 points, or 0.8%, to 5,158, further retreating from the record close set on Monday. The Dow Jones Industrial Average [**DJIA, -0.49%**](#) dropped 61 points, or 0.3%, to 17,870.

What strategists are saying: "The big drop in Apple is due to overly optimistic expectations. But the company quarterly numbers were staggering. I would not sell the stock on weakness, and if you don't already own it, it's a good buying opportunity," said Jerry Braakman, chief investment officer of First American Trust.

Apple shares are up more than 12% since the start of the year, compared to a 2.6% gain for the S&P 500 index. The main index came close to topping its previous record close on Monday, but retreated and is still stuck in the trading range it has been for months.

When one major index, such as the Nasdaq, scores a record high but others don't follow suit, that suggests "something is out of whack and it is not the best opportunity," said Naeem Aslam, chief market analyst at AvaTrade, in a note Wednesday.

He said that has caused "alarm bells" to ring for investors.

Individual stocks with news: Intuitive Surgical, Inc. [**ISRG, +10.10%**](#) shares surged 11% after reporting an increase in revenue, profit and number of procedures during the second quarter.

Chipotle Mexican Grill Inc. [**CMG, +7.79%**](#) shares jumped 7.6% despite disappointing quarterly earnings.

Boeing Co. [**BA, +0.50%**](#) shares rose 1.6% after quarterly results, but shares of Yahoo Inc. [**YHOO, -0.77%**](#) dropped following adjusted quarterly profit that [missed expectations](#) late Tuesday.

Thoratec Corp. [**THOR, +10.04%**](#) jumped 9.2% after St. Jude Medical Inc. [**STJ, -0.39%**](#) said it plans to [buy the heart-device maker for \\$3.4 billion](#).
[Read more in Wednesday's Movers & Shakers column](#)

Key economic reports: The [pace of existing home sales hit the fastest rate since 2007](#).

Other markets: The rout continued for gold early Wednesday, with prices for the yellow metal [falling for the 10th session in a row](#) to trade at \$1,089.6 an ounce.

Read: [Goldman's Currie expects gold to fall under \\$1,000 an ounce](#)

The [dollar was losing ground](#) versus the pound as expectations increased for a rise in U.K. interest rates. [Crude-oil futures dropped](#) to below \$50 a barrel, following a surprise increase in U.S. inventories.

European stocks [lost ground](#) after the prior day's retreat by Wall Street and as disappointing earnings weighed, while Asian equities closed [mostly lower](#).