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BUSINESS DAY

Market Mixed Despite an Encouraging Report on Growth

By THE ASSOCIATED PRESS SEPT. 25, 2015

A slump in health care stocks late on Friday pushed the market to its third weekly loss this month.

Stocks had traded solidly higher for most of the day, as shares in banks, insurance companies and brokerage firms climbed after the chairwoman of the Federal Reserve, Janet L. Yellen, said that policy makers would probably raise interest rates this year. But gains evaporated in the afternoon as a sell-off in stocks for drug makers led the health care sector lower.

Wall Street has been volatile for the last six weeks, shaken by worries about slowing growth in China and other emerging markets, as well as uncertainty about the outlook for interest rates.

“This is a dangerous market that is still looking for direction,” said Jerry Braakman, chief investment officer at First American Trust, an investment management firm in California. “Although the U.S. is continuing to improve, outside the U.S., it’s just scary.”

The Standard & Poor’s 500-stock index fell 0.9 points, or less than 0.1 percent, to 1,931.34. The Dow Jones industrial average gained 113.35 points, or 0.7 percent, to 16,314.67. The Nasdaq composite index fell 47.98 points, or 1 percent, to 4,686.50.

The S.&P. 500 closed down 1.4 percent for the week; the Dow was 0.4 percent lower.

Pharmaceutical shares began their slide on Monday when the Democratic presidential front-runner, Hillary Rodham Clinton, pledged to stop “price gouging” in the industry. The health care sector, a longtime favorite of investors, had its worst weekly performance in over four years.

Biotechnology shares in the S.&P. 500 plunged during the week, pushing the overall health care index down 5.8 percent, its worst week since August 2011.

Vertex Pharmaceuticals, which focuses on developing drugs for cystic fibrosis and viral infections, was the biggest decliner in the index on Friday, dropping \$7.83, or 7 percent, to \$103.20.

Financial companies got a boost after Ms. Yellen said that the central bank was still likely to raise interest rates this year after standing pat this month.

She suggested global economic weakness would not be significant enough to alter the central bank’s plan to raise its key short-term rate from zero by December.

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Record low interest rates since the 2008 global financial crisis have been a boon for stocks, underpinning a bull market that has run for six and a half years. The combination of higher rates and a growing economy is good for financial companies because they can earn more from making loans.

Citigroup shares rose \$1.43, or 2.9 percent, to \$50.56, and Bank of America shares climbed 34 cents, or 2.2 percent, to \$15.89.

Nike was the biggest gainer in the S.&P. 500 on Friday. The stock soared after the company's earnings surpassed analyst expectations. Nike shares jumped \$10.23, or 8.9 percent, to \$125.02.

United States government bond prices fell. The yield on the benchmark 10-year Treasury note rose to 2.17 percent, from 2.13 percent late Thursday.

The euro rose to \$1.1205 while the dollar edged up to 120.55 yen.

In metals trading, gold fell \$8.20, to \$1,145.60 an ounce. Silver edged lower, dropping 1.9 cents, to \$15.11, and copper fell 1.9 cents, to \$2.28 a pound.

The price of oil rose on Friday as the number of domestic drilling rigs fell for the fourth straight week, according to a closely watched industry count. United States crude rose 79 cents to settle at \$45.70 a barrel in New York, ending a choppy week of trading up 2.3 percent.

Brent crude, a benchmark for international oils used by many United States refineries, rose 17 cents, to \$48.34 a barrel, in London.