

CLM Latest on Stocks
HD **U.S. Stocks End Lower**
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U.S. stocks dropped on Friday, pressured by a selloff in the health-care sector, but major **equity** indexes still posted solid weekly gains.

The S&P 500 index fell 5.49 points, or 0.3%, to end at 1866.52, after rising to an intraday record of 1884 early in the session.

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The Dow Jones Industrial Average fell 28.28 points, or 0.2%, to finish at 16302.77, leaving it with a weekly gain of 1.5%.

The Nasdaq Composite Index slid 42.50 points, or 1%, to 4276.79, weighed down by a selloff in health-care stocks and heavy losses in shares of Symantec.

Equities ended a positive, if volatile, week. They dropped Wednesday after comments from Federal Reserve Chairwoman Janet Yellen sparked fears that higher interest rates were on the horizon. But upbeat economic news helped ease investors' concerns and sent the S&P 500 up 1.4% for this week.

"It has been a good week for the market," said Paul Zemsky, chief investment officer for multi-asset strategies at ING Investment Management. "Overall the economic data in the U.S. was pretty good and went a long way to convincing traders that the slowdown we saw [earlier in the year] was weather related."

On Friday, stocks began the session higher, but turned lower midday amid a selloff in health-care stocks. The catalyst was a letter of complaint from three members of Congress about the high prices of a Gilead Sciences hepatitis C drug. News of the letter sent Gilead shares sliding 4.6%, dragging other biotech companies with it.

Financial stocks, however, held on to positive territory after the Federal Reserve announced that 29 out of the nation's 30 biggest banks passed "stress tests" designed to measure their ability to withstand a severe economic downturn. The approvals potentially clear the way for many of the banks to reward investors with higher dividends and share buybacks.

The rebound in stocks this week was powered by positive economic data. The S&P 500 index advanced 0.6% on Thursday after the Philadelphia Federal Reserve's manufacturing-activity index for March topped expectations. That report and others have given investors assurances that weaker reports earlier in the year were distorted by harsh winter weather.

"We're shaking off the deleterious effects of the weather and the economy's starting to improve," said Phil Orlando, chief **equity** strategist at Federated Investors, which manages about \$400 **billion**.

Mr. Orlando said he is favoring corners of the market that benefit from a pickup in the economy, including consumer discretionary, financial and technology stocks. "We think there is tremendous pent-up demand."

Meanwhile, many investors appeared to reassess comments made by Chairwoman Yellen on Wednesday. In addition to announcing a further **wind-down**, or "taper," of the central bank's stimulus program, the new Fed chief said the central bank could raise rates "somewhere on the order of six months' after it winds down its stimulus program. Investors read in the remarks the possibility that rate increases could come as early as April next year, rather than later in 2015 as many had expected.

Michael Fredericks, portfolio manager of BlackRock's \$6.6-**billion** Multi-Asset Income Fund, said investors should be encouraged by the Fed's comments earlier this week. "For the more intermediate or longer term, you have to view this as a positive that the Fed thinks the economy is healthy enough not only to withstand more taper, but also that the fed funds rate is going to be higher a little bit sooner than they thought," he said.

Keith Bliss, senior vice president at brokerage Cuttane & Co., said volumes were relatively quiet, though they picked up later in the session. "My sense in talking to clients [...] is people are pretty comfortable with where the market is right now."

Friday marked what traders refer to as "quadruple witching," the simultaneous expiration of futures and options on indexes and individual stocks. The phenomenon typically leads to a ramp-up in volume during the final hour of trading, as investors and dealers move to close out or roll over positions ahead of expiration.

The yield on the 10-year Treasury note was lower at 2.748% from 2.775% late on Thursday.

Gold futures gained 0.4% to \$1336 an ounce, snapping a four-day losing streak, while crude-**oil** futures added 0.6% to \$99.46 a barrel.

The dollar lost some ground against the euro and the yen.

The Stoxx Europe 600 rose 0.1% and was up 1.8% on the week after slumping 4.7% over the previous two weeks. Germany's DAX 30 index advanced 0.5% and gained 3.2% on the week.

Tensions over Ukraine continued to punish Russian markets. The country's Micex index fell 1% in response to a second round of U.S. sanctions.

Fitch Ratings cut its outlook on Russia's sovereign debt, which is currently rated two notches above junk status at triple-**B**, to negative from stable. That followed a similar move by Standard & Poor's on Thursday.

Asian markets rose, with **China**'s Shanghai Composite running up 2.7% on expectations that fundraising regulations for property developers will be loosened further. Japan's market was closed for a holiday.

Zions Bancorp. fell 5.3%. The regional lender was the only one of the 30 institutions surveyed that fell short of the Fed's stress test.

Dow component Nike Inc. fell 5.1% after the sporting-gear **company** said it expected next fiscal-year's earnings to rise less than current projections, which overshadowed better-than-expected fiscal third-quarter earnings and revenue.

Symantec slid 12.9% after the software **company** announced the termination of Steve Bennett as its chief executive officer after fewer than two years on the job. The **company** named board member Michael Brown as the interim CEO. Symantec affirmed its fiscal fourth-quarter earnings and revenue outlook.

Tiffany & Co. fell 0.5% as investors shrugged off the high-end jewelry retailer's disappointing fourth-quarter earnings report. The **company** also announced a new \$300 **million** stock buyback program.

Ann Inc. surged 14.1% after private-**equity firm** Golden Gate Capital disclosed a 9.5% **stake** in the retailer, which operates Ann Taylor and Loft branded stores.

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