

CLM Latest on Stocks
HD **U.S. Stocks Fall Along With Oil Prices**
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U.S. stocks fell Monday amid a continuing slump in oil prices and ahead of a closely watched Federal Reserve meeting.

The Dow Jones Industrial Average lost 99.99 points, or 0.6%, to 17180.84. The S&P 500 index declined 12.70 points, or 0.6%, to 1989.63. The Nasdaq Composite Index fell 48.44 points, or 1%, to 4605.16.

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Stocks swung lower alongside crude-oil prices during the session. Broadly, strategists and investors say the continuing drop in oil should be good for U.S. stocks, since it gives consumers and companies a break on energy costs. But investors who make broad, global bets worry the drop is a sign of slower-than-expected global demand. Crude oil fell 3.3% to settle at \$55.91 a barrel, its fourth-straight decline.

Beyond those concerns, long-term investors are hesitating to make new bets on stocks before the end of this year, traders said.

"It's been go-along buying and selling today. I don't see a lot of urgency," said Viren Chandrasoma, managing director of equity trading at Credit Suisse. "No one's making any real bets."

Money managers were selling some of their winning stocks, traders said, to cut back on risk in case U.S. stocks continue to fall into year-end. Utilities and health-care stocks, the best-performing sectors in the S&P 500 this year, slid more than the broader index. The Nasdaq Biotechnology Index, up 31% year-to-date, fell 2.8% on Monday. Shares of Apple, which are up 35% this year, fell 1.4%.

"Momentum works in both directions," said Michael Antonelli, sales trader at brokerage firm Robert W. Baird. "When the market sells off, [fund managers] have to sell to reduce [their] risk."

Stocks extended declines from last week, when the Dow made its steepest weekly drop since late 2011. But some investors said those losses were welcome, since stocks were previously trading at lofty prices. The S&P 500 is trading at 15.6 times its expected earnings for next year, according to FactSet, down from 16.2 early last week.

"This correction has actually made me feel better," said Erin Gibbs, who oversees more than \$10 billion for S&P Capital IQ. "We hit the top of the [valuation] range, then it started to come down."

Ms. Gibbs said she hasn't made any new bets in recent sessions. In recent weeks, she bought energy stocks, since she thinks the sector's selloff has been overdone.

But now, "I'm not doing anything for the rest of the year," she said.

The drop in U.S. stocks was moderate compared with steep declines in emerging markets and European stocks. Europe's Stoxx 600 fell 2.2%, extending a 5% slide last week.

Emerging-market investors sought safety ahead of a highly anticipated meeting of the Federal Reserve later this week, when officials could signal an increase in short-term interest rates next year. Currencies in Russia and Indonesia were hit Monday, along with markets in Malaysia and Thailand.

The Fed's two-day meeting concludes Wednesday. Investors will be looking for any Fed reaction to the downturn in **oil** prices and weak inflation, as well as hints on the outlook for interest-rate increases, widely expected next year.

Asian markets were mixed. **Hong Kong**'s Hang Seng fell 1%. The Shanghai Composite rose 0.5%. Japan's Nikkei declined 1.6%, even as Prime Minister Shinzo Abe won an election seen as a referendum on his aggressive economic-reform efforts.

Gold fell 1.2% to \$1207.20 an ounce. The yield on the 10-year Treasury note rose to 2.117%.

In corporate news, shares of PetSmart Inc. rose 4.2% after the pet-supply retailer agreed to be bought by a group led by BC Partners Inc. for more than \$8.2 **billion**, the biggest private-**equity** buyout this year.

Shares of American Realty Capital Properties tumbled 8.5% after the real-estate investment trust said its chairman and chief executive have stepped down amid an investigation into potential accounting irregularities.

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