



Advancing issues outnumbered declining ones on the NYSE by a 1.20-to-1 ratio; on Nasdaq, a 1.07-to-1 ratio favored advancers. (Image: Reuters)

The Dow and S&P fell modestly on Monday, ending well off session lows, as gains in energy shares helped curb declines stemming from trade war concerns after China's retaliation to U.S. tariffs. U.S. President Donald Trump said last week he was pushing ahead with tariffs on \$50 billion of Chinese imports, prompting a quick response from Beijing, which said it would put duties on several American commodities. Boeing, which has acted as a proxy for trade war tensions with China as it is the single largest U.S. exporter to the country, fell 0.9 percent as the biggest drag on the Dow. Construction equipment maker Caterpillar declined 0.9 percent.

Chipmakers, which rely on China for a large portion of their revenue, also lost ground. The PHLX semiconductor index lost 0.99 percent, its worst daily performance in a month. Intel, off 3.4 percent, was the biggest drag on the S&P 500 and Nasdaq on tariff concerns and a downgrade by Northland Securities. "You are seeing the trade narratives hammered, or at least running into some significant headwinds and as a result you are seeing compression in valuations there," said Peter Kenny, senior market strategist at Global Markets Advisory Group, in New York.

The Dow Jones Industrial Average fell 103.01 points, or 0.41 percent, to 24,987.47, the S&P

500 lost 5.79 points, or 0.21 percent, to 2,773.87 and the Nasdaq Composite added 0.65 points, or 0.01 percent, to 7,747.03. Oil prices advanced in volatile trade as market participants lowered their expectations for how much OPEC might increase production. Even with the anticipated increase, Goldman Sachs maintained its bullish outlook on the oil market. The S&P energy index rose 1.1 percent for its first gain in five sessions. The index was boosted by gains in Chevron Corp, up 1.6 percent, and ConocoPhillips, up 1.9 percent.

“Clearly investors have already priced in some easing on the production limits that OPEC has had in place now for some time,” said Kenny. The consumer staples index fell 1.5 percent, with tobacco major Philip Morris down 2.3 percent. Tobacco is among the 545 U.S. goods that China plans to impose tariffs on as of July 6.

Among other stocks, Valeant Pharmaceuticals’ U.S.-listed shares tumbled 12.3 percent after the U.S. health regulator declined to approval the company’s plaque psoriasis treatment lotion. Biotechnology firm China Biologic jumped 21.1 percent after Chinese investment company CITIC Capital Holdings offered to buy it in a deal valuing the company at \$3.65 billion.

Advancing issues outnumbered declining ones on the NYSE by a 1.20-to-1 ratio; on Nasdaq, a 1.07-to-1 ratio favored advancers. The S&P 500 posted 23 new 52-week highs and 4 new lows; the Nasdaq Composite recorded 172 new highs and 46 new lows.

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