

The New York Times

Financial Desk; D

Dow Falls 2.07 as Volume Slackens

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579 words

19 December 1985

The New York Times

NYTF

Late City Final Edition

English

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The stock market, depressed in late trading by a number of sell programs, eased yesterday as volume slackened a bit.

The Dow Jones industrial average closed off 2.07 points, at 1,542.43, after having fallen 8.60 points the day before.

Right after 3 P.M., the sell programs reached the floor of the New York Stock Exchange, pulling the Dow from about minus 1 point to nearly minus 8 points in a matter minutes.

Stocks ending the day with point-plus declines included Eastman Kodak, off 2, to 48 7/8; Minnesota Mining and Manufacturing, down 1 1/2, to 89 1/8, and Philip Morris, 1 3/8 lower at 85 3/8. Broader-based averages also finished lower. The Standard & Poor's 500-stock index dropped 0.84, to 209.81, while the New York Stock Exchange composite index fell 0.49, to 120.68.

Volume on the Big Board, while still a brisk 137.9 million shares, dropped from the 155.2 million shares traded the day before.

"With options expiring tomorrow, programs related to index futures continued to dominate trading, causing the Dow to rise and fall erratically," said William M. LeFevre, market strategist at Purcell, Graham & Company. "The stock market, with the exception of the interest-sensitive utilities, which reached another record, acts like it wants to roll over and go down for awhile. The Dow utility average rose 0.47, to 173.63.

Texaco led the most-active list, climbing 2 points, to 29 5/8, on a volume of 4 million shares. A Federal court in New York issued a temporary restraining order blocking enforcement of an \$11 billion award Pennzoil won from Texaco last month. Pennzoil, on the other hand, plummeted 3 3/8, to 61 1/8.

"The market is in an intermediate downward correction phase of a basic long-term upward move," said Gary Ciminero, chief economist of the Fleet Financial Group in Providence, R.I. "Bad news today included comments by Martha Seger, a member of the Federal Reserve Board, that the Fed need not ease its credit policy to push the dollar down further." He said this gave further indication that a lower discount rate was not imminent.

Mr. Ciminero said that another negative for the stock market was the House passage Tuesday night of its version of the tax-revision bill. This, he said, could take as much as \$140 billion out of corporate profits over the next five years if the bill was not modified by the Senate.

"The fundamental trend in the market, however, is up," Mr. Ciminero added. "The Dow, for instance, could push upward toward 1,700 sometime during the next six months as corporate profits rise about 12 percent and price earnings multiples expand as a result of current large declines in long-term bond yields."

On the American Stock Exchange both prices and volume were lower. The Amex market value index fell 0.53, to 243.32, as declines outnumbered advances by 344 to 263. Turnover contracted to 11.9 million shares from 13.4 million.

Resorts International fell 2 3/8, to 48 3/8. The company was rumored to be a suitor of Trans World Airlines.

In over-the-counter trading, the Nasdaq composite index fell 0.77, to 322.48.

graph of N.Y.S.E. issues traded

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