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Wall St. resumes selloff; S&P 500 lowest since September

BY CAROLINE VALETKEVITCH



U.S. stocks sank on Wednesday, pushing the S&P 500 to close below 1,900 for the first time since September as investors grew anxious about weak energy prices, U.S. corporate earnings and the global economy.

All 10 S&P 500 sectors ended in the red, led by consumer discretionary shares, the healthcare sector and technology. Selling was broad, with decliners outpacing advancing issues on the NYSE more than 7 to 1 and on the Nasdaq by more than 6 to 1.

All three major indexes are in correction territory. The S&P 500 is now down 11.3 percent below its May 21, 2015, closing lifetime high.

At the same time, the Russell 2000 small-cap index .RUT dropped 3.3 percent, putting it in bear market territory. The index is down 22 percent from its June 2015 record close.

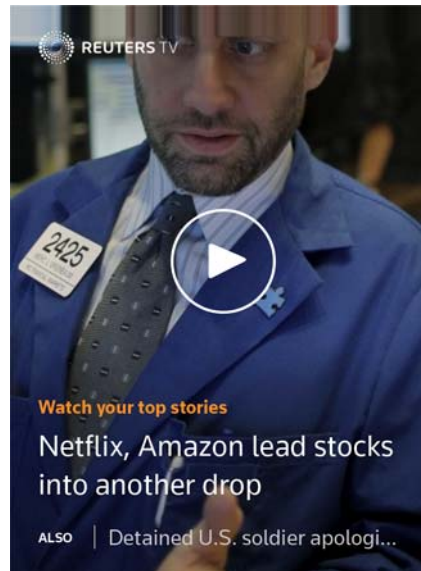
Stocks had started the day higher but sentiment turned negative when a brief rally in beaten-down oil prices stalled. Growing stockpiles of oil in the United States stoked market fears about demand.

"We've been in capital preservation mode since the year began and as the market has shown an inability to rally with any conviction, that's only increased the level of nervousness," said Michael James, managing director of equity trading at Wedbush Securities in Los Angeles.

The market has attempted 10 intraday rallies at the outset of 2016, and each one has failed to sustain itself.

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The declines ended a two-day rebound for the S&P 500 and resumed the steep selloff that began at the start of the year amid concerns about a slowdown in China and global growth.

The Dow Jones industrial average [.DJI](#) closed down 364.81 points, or 2.21 percent, to 16,151.41, the S&P 500 [.SPX](#) lost 48.4 points, or 2.5 percent, to 1,890.28 and the Nasdaq Composite [.IXIC](#) dropped 159.85 points, or 3.41 percent, to 4,526.07.

The CBOE Volatility index [.VIX](#), Wall Street's favorite gauge of uncertainty, gained 12.2 percent.

Analysts said nervousness about fourth-quarter earnings added to the bearish tone. CSX ([CSX.O](#)) was down 5.7 percent at \$22.35 after the railroad reported a lower quarterly net profit, and said the weak global economy and U.S. industrial markets would weigh on results.

"People are concerned about the health of the economy," said Ken Polcari, director of the NYSE floor division at O'Neil Securities in New York.

"There's no catalyst to really take it higher. If you start getting bank and other earnings that are really bad, nothing is going to hold."

S&P 500 earnings are estimated to have fallen 4.8 percent in the fourth quarter from a year ago, in a second straight quarterly profit decline, Thomson Reuters data showed.

JPMorgan Chase ([JPM.N](#)) and Intel ([INTC.O](#)) report results on Thursday. Citigroup ([C.N](#)) and Wells Fargo ([WFC.N](#)) are among companies reporting on Friday.

Amazon ([AMZN.O](#)) fell 5.8 percent to \$581.81 and was among the biggest drags on the S&P 500 and the Nasdaq.

About 9.9 billion shares changed hands on U.S. exchanges, well above the 7.5 billion daily average for the past 20 trading days, according to Thomson Reuters data.

The S&P 500 posted 2 new 52-week highs and 108 new lows; the Nasdaq recorded 7 new highs and 510 new lows.

(Editing by [Chizu Nomiya](#), Meredith Mazzilli and Nick Zieminski)

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