

US stocks plunged because investors were concerned about Middle East tensions and bond yields climbed

US stocks closed sharply lower on April 15 due to pressure from US Treasury yields and concerns about rising geopolitical tensions between Iran and Israel...



At the end of the session on April 15, the Dow Jones industrial average dropped 248.13 points (-0.65%) to 37,735.11 points, the S&P 500 lost 61.59 points (-1.20%) to 5,061.82 points and Nasdaq Composite dropped 290.07 points (-1.79%) to 15,885.02 points.

The S&P 500 has fallen 2.64% over the past two sessions. This is the largest decrease in two days since the beginning of March 2023.

All 11 major S&P sectors fell, with interest rate-sensitive real estate and utilities among the worst performers.

US stocks have struggled recently, with the S&P 500 experiencing two straight weeks of declines and posting its biggest weekly percentage drop since October 2023 last week as investors pushed back Expectations about the time and scale of interest rate cuts from the US Federal Reserve (Fed).

In individual developments, Apple shares fell 2.19% and were one of the biggest drags on the S&P 500 after data from research firm IDC showed smartphone sales fell about 10% in the first quarter of 2024.

Tesla lost 5.6% after announcing layoffs of more than 10% of its global workforce in an internal memo seen by Reuters.

Salesforce slid 7.28% due to news that the software maker is in high-level talks to acquire Informatica.

Meanwhile, M&T Bank rose 4.74% thanks to a better-than-expected annual net interest income (NII) forecast, while brokerage Charles Schwab inched up 1.71% despite reporting quarterly earnings. reduce. These are also two of the three best-performing stocks in the S&P 500 financial sector.

Goldman Sachs rose 2.92% after reporting first-quarter profit that beat Wall Street estimates, boosted by a recovery in underwriting, bond trading that lifted earnings per share Their votes reached their highest level since late 2021.

Trading volume on US stock exchanges was 11.53 billion shares, higher than the average of 11.03 billion shares in the past 20 trading days.

In early trading, the major U.S. stock indexes were slightly supported by a larger-than-expected rise in retail sales data for March as well as gains in some financial stocks after the release. Quarterly business results.

However, the gains quickly reversed due to concerns about geopolitical tensions in the Middle East, US Treasury yields jumped, with 10-year Treasury bonds reaching their highest level since November. /2023.

Ken Polcari, managing partner at Kace Capital Advisors commented: 'The market saw a slight recovery early in the session but then predictions about the Middle East situation pulled the mood down. All geopolitical issues will cause stress and anxiety in the markets, as will the realization that interest rates are likely to remain high for longer.'

In energy markets, oil prices fell slightly after fighting in the Middle East caused less damage than expected, easing concerns that a rapidly intensifying conflict could affect supplies. .

Brent oil futures were steady at \$90.10/barrel, down 35 cents, or 0.4%. WTI oil futures in May decreased by 25 cents, equivalent to 0.3%, to 85.41 USD/barrel.

Oil fell more than 1 USD/barrel over the weekend after rising to its highest level since October 2023 on April 12.

In addition, strong US retail sales data also put pressure on oil prices as it could increase the likelihood that interest rates in the world's largest economy will remain high for a longer period of time. and thereby reducing the demand for oil.

In the cryptocurrency market, bitcoin prices continue to face downward pressure, stemming from the panic sell-off in the market after the attack in the Middle East - which pushed the USD to its highest level in 5 years. month.

Specifically, Bitcoin decreased 1.6% in the past 24 hours to \$63,382.7 despite a brief recovery during the day.

The strength of the USD is also a major drag on Bitcoin, as Bitcoin has traditionally benefited from market risk appetite. The downward movement of Bitcoin's price shows that it is diametrically opposed to the idea of ??a digital safe haven.

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