

## BUSINESS

# Economic fears shake stocks

## Markets fall as weak reports cast doubt on potential for growth

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NEW YORK—A sell-off erased this year's gains in the stock market Tuesday as investors grew increasingly concerned about the economy.

The Standard & Poor's 500 — the benchmark for most U.S. mutual funds — lost 2.6 percent and fell to its lowest point of the year. It is down 0.3 percent for

the year and is off nearly 8 percent since reaching a high for the year of 1,363 on April 29.

A series of weak economic reports and poor earnings reports from several big companies spurred the decline.

The Commerce Department reported that consumers cut their spending in June for the first time in nearly two years. Analysts had predicted a slight in-

crease. Incomes also rose by the smallest amount since September, reflecting a weak job market.

The report came one day after a weak manufacturing report. And on Friday the government said that in the first half of the year, the economy grew at its slowest pace since the recession ended in June 2009.

"The market is starting to wonder where the growth is going to come from," said Nick Kalivas, a vice president of financial research at MF Global. "It

hasn't hit the panic button yet, but that's where we're drifting."

The S&P 500 lost 32.89 points, or 2.6 percent, to 1,254.05. It has fallen for seven straight days, losing 6.8 percent in that time. That's the S&P's longest string of losses since the height of the financial crisis in October 2008.

The Dow Jones industrial average lost 265.87 points, or 2.2 percent, to 11,866.62. The Dow has lost 858 points, or 6.7 percent, in the last eight trading days.

The Nasdaq composite fell 75.37, or 2.7 percent, to 2,669.24. And the Russell 2000, an index of smaller companies that many investors look to as a sign of market optimism about growth, fell 3.3 percent. It is now down 2.2 percent for the year.

All 30 stocks in the Dow lost ground. General Electric Co., Pfizer Inc. and Home Depot Inc. led the index lower with losses of 4 percent or more. All but 13 of the 500 companies in the S&P index fell.