Stocks dip after growth slows

All the major US indexes slide lower

By Steve Rothwell
Associated Press

NEW YORK — The stock market got off to a slow start in April, edging lower after the Standard and Poor's 500 index eclipsed its all-time high last week.

The main catalyst was a slowdown in U.S. manufacturing growth last month. The decline in the Institute for Supply Management's benchmark manufacturing index for March was worse than economists had forecast.

The Dow Jones industrial average closed 5.69 points, or 0.04 percent, lower at 14,572.85. The Standard & Poor's 500 index dropped 7.02 points, or 0.5 percent, to 1,562.17. The Nasdaq composite fell 28.35 points, or 0.9 percent, to 3,239.17.

Investors have raised their expectations for the U.S. economy as the market has climbed this year, said JJ Kinahan, chief derivatives strategist at TD Ameritrade. The Dow is up 11.2 percent in 2013, the S&P 9.5 percent.

"The numbers have to be outstanding in order to drive the market higher," Kinahan said. "It's a different mindset when we're at these levels."

The S&P 500 closed the first quarter at an all-time high of 1,569.19, surpassing its previous record of 1,565.15 set on Oct. 9, 2007. The index has recaptured all of its losses from the financial crisis and the Great Recession. The Dow broke through its previous all-time high March 5.

The market has risen this year because of optimism that housing is recovering and that employers and starting to hire again. Strong company earnings and continuing stimulus from the Federal Reserve have also increased demand for stocks.