

BUSINESS

Stocks extend losing streak into 5th day

European debt helps spur slide

By Christina Rexrode
The Associated Press

NEW YORK — The stock market extended its longest and deepest slump of the year Tuesday, caught between a recurring nightmare of European debt and the beginning of uncertain corporate earnings reports at home.

The Dow Jones industrial average fell 213.66 points, its biggest decline of the year and third triple-digit loss in four days. It closed at 12,715.93, its lowest since Feb. 2.

A five-day losing streak

has shaved about 550 points off the Dow, more than half what it gained from January through March.

In Europe, concern about the financial health of Spain intensified, and borrowing costs for both Spain and Italy rose considerably. Spain's borrowing costs crept closer to levels that forced other countries to seek bailouts.

European markets sold off while Wall Street was still sleeping. The main stock indexes in Spain and France closed down about 3 percent, the equivalent of a 400-point drop in the Dow.

"They've managed to put a Band-Aid on the debt



Specialist Robert Gross checks numbers on the floor of the New York Stock Exchange. The Dow fell 213.66 points Tuesday, its biggest decline of the year and third triple-digit loss in four days. RICHARD DREW/AP

crisis, but there's really no solution," said Colleen Su-

pran, a principal at the investment adviser Bingham, Osborn & Scarborough in San Francisco.

"And Spain is a much bigger problem than Greece."

The yield on 10-year Spanish bonds rose to almost 6 percent.

The point at which governments can no longer afford to raise money on the international bond markets and must seek bailouts is generally considered to be 7 percent.

The 7 percent level forced Greece, the last focal point of the European debt crisis, to seek rescue loans. But Spain's economy is more than five times as large as Greece's.

The first three months of this year were the best for stocks since 1998, but investors have found plenty to fret about in April.