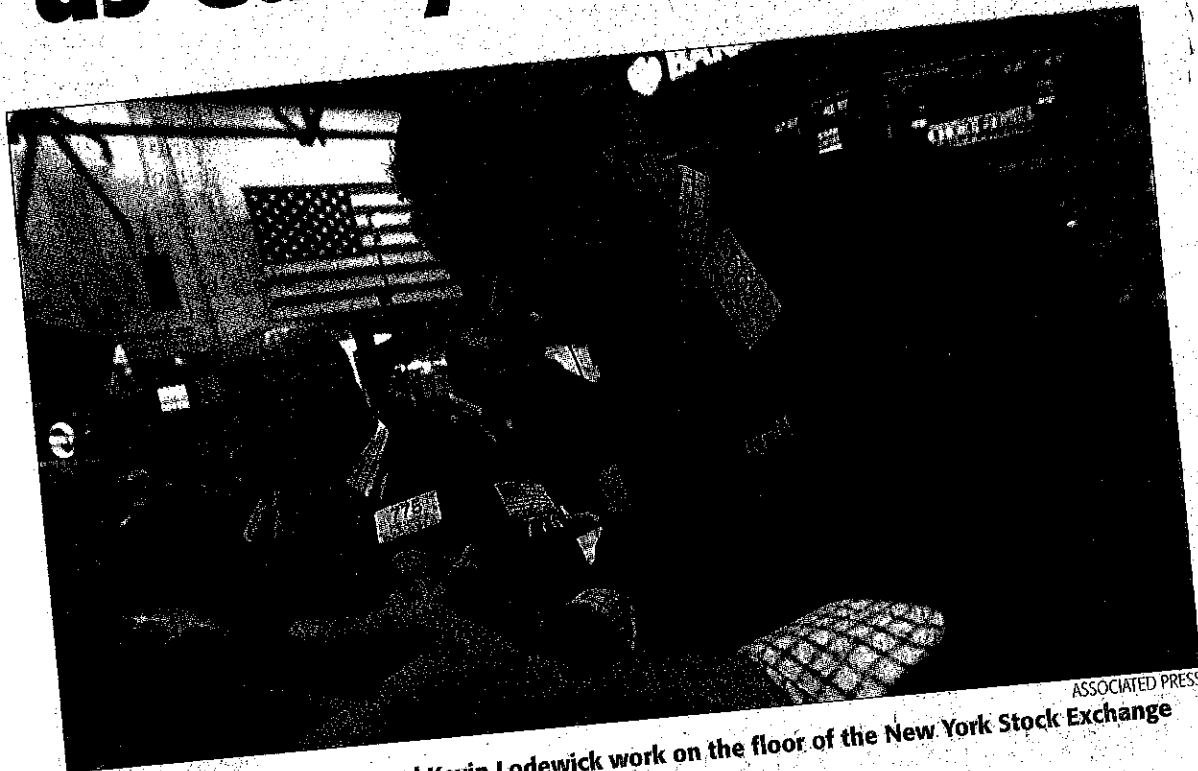


Stocks extend losses as early rally fades



Traders Fred DeMarco, left, and Kevin Lodewick work on the floor of the New York Stock Exchange on Tuesday.

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Just when it looked as if the bleeding had stopped, it started up again.

A rally in U.S. stocks evaporated in the minutes before the closing bell Tuesday, sending the Dow Jones industrial average down more than 200 points and extending Wall Street's losing streak to six days — the longest such stretch in more than three years. Where the market

might bottom out is anyone's guess — not exactly comforting news to anyone whose retirement savings or down payment on a house are tied up in stocks.

The rally came after China lowered interest rates to try to boost its slowing economy. Other world markets surged on the news out of Beijing, and for a while, it looked as if U.S. stocks would follow suit and the global sell-off might stop.

Stocks also got a lift from economic reports showing a rebound in U.S. consumer confidence and sales of new American homes.

At one point Tuesday, the Dow was up as much as 441 points. But sell orders began pouring in in the last 15 minutes of trading, and stocks swung abruptly from positive to negative territory.

The Dow ended with a loss of 204.91 points, or 1.3 percent, at 15,666.44. The Stan-

dard & Poor's 500 index fell 25.60 points, or 1.4 percent, to 1,867.61. The Nasdaq composite declined 19.76 points, or 0.4 percent, to 4,506.49.

"The return to a more traditional stimulus from China helped excite many investors," said Jeff Kleintop, chief global investment strategist at Charles Schwab. "But, in fact, this is more likely the start of a longer-term period of volatility."