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Major stock indexes hit new lows as fear grips Wall Street

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Wall Street is back in freak-out mode today: Stocks are plummeting, led by financial issues, and money is rushing into the haven of Treasury securities.

With about 90 minutes to go in the trading day, anything can (and probably will) happen. Stocks also were down sharply at midday on Tuesday, only to rebound.

But the market is in worse shape today than it was on Tuesday. Many major stock indexes are at new bear-market lows. People are giving up -- again.

"The market isn't trading on the fundamentals or on technicals. It's fear-based," said **Joe Saluzzi**, a partner at **Themis Trading** in Chatham, N.J.

Fear of what? All the usual suspects: the economy, the financial system, the potential bankruptcy of major automakers, a massive wave of bond defaults, etc.

Where things stood at about 11:15 a.m. PST:

--- The [Dow Jones industrials](#) were down 176 points, or 2.1%, to 8,248. The Dow still is above its recent closing low of 8,175 on Oct. 27. But it's the exception rather than the rule among major indexes.



The [Standard & Poor's 500](#), down 3.2% to 831.74, is below its recent closing low of 848.92, also reached Oct. 27. Also on track to set new lows today are the **New York Stock Exchange composite**, the **Nasdaq composite**, the **Russell 2,000** small-stock index, and many more.

As I noted in [this post](#) on Tuesday, breaking through the recent lows could trigger another round of heavy selling.

--- Despite all the money the government has thrown at the financial sector, **shares of banks, brokerages and other key players continue to dive**. [Citigroup](#) Inc. is down nearly 15% to \$7.12 today; [Bank of America](#) is off more than 11%, to \$13.43.

Besides the [housing market's continuing slide](#), one emerging concern was highlighted by the Wall Street Journal today: **rising commercial real estate loan defaults**.

A Bloomberg index of 121 **real estate investment trust** stocks has slumped 8.3% to 90.10. The index now has plunged 28% just since Nov. 7.

--- **The junk bond market is down for a sixth straight session** as investors bail out of high-risk debt. The [SPDR Lehman High Yield bond exchange traded fund](#) (ticker symbol JNK) is off 3.8% to \$28.38 a share, a new bear-market low.

--- **Yields on Treasury bills, notes and bonds are sinking** as money pours in. The 3-month T-bill yield has dropped to less than 0.07%; it was 0.40% two weeks ago.

The 10-year T-note yield has fallen to 3.41% from 3.53% on Tuesday.