

REUTERS

US STOCKS-Wall Street tumbles as oil crash adds to pandemic fears

By Noel Randewich

April 21 (Reuters) - Wall Street tumbled for a second straight day on Tuesday as a collapse in U.S. oil prices and glum forecasts by companies foreshadowed the worst economic slump since the Great Depression.

All 11 S&P 500 sector indexes fell 1.5% or more, with energy sliding for the seventh time in eight sessions a day after the WTI contract crashed below zero as oil traders ran out of storage for May deliveries.

With the collapse spilling into June futures contracts, equity investors became wary of the extent of the economic damage from sweeping lockdown measures that have halted business activity and sparked millions of layoffs.

The S&P information technology index slumped 2.9%, while the financial index dropped 3.2%. After many companies pulled their forecasts because of uncertainty related to the coronavirus, investors will focus in the coming days on first-quarter reports for signs of how badly the pandemic is hurting U.S. corporations.

The benchmark S&P 500 index has climbed over 20% from its March low, powered by trillions of dollars in stimulus, but it remain nearly 20% below its February record high due to fears of devastating economic damage caused by the coronavirus.

“When are countries and states going to reopen their economies, and what does that even mean? I’d expect us to see choppy days like this until we get some visibility and figure this out, but that’s going to be a while,” warned **Joe Saluzzi**, co-manager of trading at **Themis Trading** in Chatham, New Jersey.

U.S. jobless claims hit 22 million in the past month as companies launched dramatic cost-saving measures to ride out the slump, and readings of U.S. business activity surveys, due on Thursday, are likely to plummet to recession-era lows.

Coca-Cola Co provided the latest evidence of the damage wrought by the global health crisis, saying its current-quarter results would take a severe hit from low demand for its soft drinks.

Travelers Companies, the first of the big U.S. insurers to report results, reported a 25% fall in quarterly profit, hurt by higher catastrophe losses, but its shares rose 0.6%.

International Business Machines Corp declined 3.7% after the company withdrew its 2020 annual forecast late on Monday.

Chip industry bellwether Texas Instruments fell 3% and streaming service provider Netflix Inc dropped 0.3% ahead of their quarterly reports after market close.

At 2:25 p.m. ET (1825 GMT), the Dow Jones Industrial Average was down 1.9% at 23,200.63 points, while the S&P 500 lost 2.26% to 2,759.31.

The Nasdaq Composite dropped 2.32% to 8,361.71.

Declining issues outnumbered advancing ones on the NYSE by a 5.48-to-1 ratio; on Nasdaq, a 3.90-to-1 ratio favored decliners.

The S&P 500 posted one new 52-week high and no new lows; the Nasdaq Composite recorded 24 new highs and 31 new lows. (Reporting by C. Nivedita and Shreyashi Sanyal in Bengaluru; editing by Jonathan Oatis)