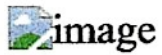


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Treasury Yields Rise, S&P 500 Edges Lower After Earnings Flurry

The yield on the 10-year Treasury note rose above 4.2% for the first time since July and the S&P 500 ended lower for a second session as traders weighed mixed results on a busy day of earnings.

The Nasdaq Composite climbed 0.2%, or 33 points, to 18573.13. The Dow Jones Industrial Average dropped 0.02%, or about 7 points, to 42924.89, while the S&P 500 declined 0.05%, or about 3 points, to 5851.20, the index's first two-day losing streak since early September. The indexes pared the morning's steeper losses as traders pored over a bonanza of quarterly earnings from big companies.

They bid up shares of **Philip Morris International** 10% to an all-time high after the cigarette maker's quarterly results, as well as those of **General Motors** and medical-testing firm **Quest Diagnostics**, which added 9.8% and 6.9%, respectively.

Verizon Communications, **3M**, paint maker **Sherwin-Williams**

and **GE Aerospace**

sold off after disclosing their

own quarterly results. Napa Auto Parts owner **Genuine Parts** fell 21% in its worst day on record.

"A majority of companies are beating earnings expectations, and, generally speaking, it's in the ballpark of a normal beat rate," said Jason Pride, chief of investment strategy and research at wealth manager Glenmede.

Through Tuesday morning, 78% of reporting companies in the S&P 500 beat Wall Street's profit expectations, but by a narrower margin of 5.9% than the 8.5% average over the past five years, according to FactSet.

Rising bond yields have provided resistance to stocks, even as equities have pushed to record highs. The yield on benchmark 10-year Treasury yields ended Tuesday at 4.204%, up from 4.18% on Monday and 3.621% in mid-September.

Analysts pointed to comments from Federal Reserve officials speaking in favor of a more moderate pace of interest rate cuts than many investors had anticipated. Federal Reserve Bank of Kansas City President Jeff Schmid told a gathering of analysts Monday that "a cautious and deliberate course of action seems appropriate."

Higher rate expectations "are often a headwind for the equity market, at least in the short term," said Jan von Gerich, chief analyst at Nordea.

Elsewhere:

Gold prices rose for the sixth consecutive session to a new alltime high. Futures for October delivery closed at \$2,744.20 a troy ounce, up 33% this year.

Oil prices added 2.2%, with benchmark U.S. barrels settling at \$72.09 apiece.

—*Ryan Dezember and Patricia Kowsmann*

TUESDAY'S MARKETS

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