


Stocks Waver Amid Earnings, Jobless Data

AT&T shares rise after company says it expects full-year earnings to reach high end of target

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U.S. stock indexes wavered Thursday, as investors parsed another batch of earnings reports and new data on the labor market.

The S&P 500 hovered near the flatline, on track to reverse six sessions of gains. On Wednesday, the index closed at its second-highest level on record. The Dow Jones Industrial Average—which also closed Wednesday just shy of a record—ticked down 0.3%. The tech-focused Nasdaq Composite Index rose 0.4%.

“The craziest thing about what I see going on in markets is just an absolute tug of war between growth and value investments,” said Jeff Powell, managing partner and chief investment officer at Polaris Wealth Advisory Group. “I’ve not seen a market like this in a really long time.”

Stocks have risen in recent days, after solid earnings helped quell concerns that sent markets lower at the start of fall. Among those worries: A slowdown in China’s economy, supply-chain blockages that have hampered sectors such as manufacturing, and inflation pressures that could prompt central banks to withdraw stimulus.

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Data showed jobless claims fell to a new pandemic low last week, a sign layoffs remain low as companies struggle to hire workers. Filings for initial unemployment benefits fell to 290,000, from 296,000 the week before, the Labor Department said. Meanwhile, existing-home sales rebounded in September, rising 7% from the prior month.

The shared-office company WeWork started trading publicly Thursday, two years after its planned initial public offering imploded. The company is going public through a combination

with BowX Acquisition Corp. , a special-purpose acquisition company. Shares rose 6.2% and traded around \$11 during early trading.

Thursday's earnings reports will offer clues about consumer spending habits. AT&T shares fell 0.2% after the company said it expected full-year earnings to reach the high end of its target. Blackstone shares gained 2.8% on net income that almost doubled in the third quarter.

Chipotle Mexican Grill and Whirlpool are scheduled to report results after markets close.

Of the 80 companies on the S&P 500 to have reported through Wednesday, 81% had topped analysts' earnings forecasts, according to FactSet, better than the roughly 75% that did so each quarter in 2019.

"We've gone through a period of hesitation that's brought a bit of volatility but I think stocks will keep trending higher," said Paul Jackson, head of asset allocation research at Invesco. He expects households to keep spending savings accumulated during the pandemic.

International Business Machines shares fell 7.6%, on pace for largest decrease since January, after the company reported weaker revenue that analysts had expected in the latest quarter. HP raised its dividend and outlook for the 2022 fiscal year, boosting shares 0.2%. Tesla added 3.2% after the auto maker said late Wednesday it had notched a third-straight record quarterly profit.

Overseas markets were broadly lower. Shares of China Evergrande Group slumped 13% in Hong Kong after the embattled developer canceled plans to sell a majority stake in its property-management unit, a setback in attempts to ease its continuing cash crisis.

Hong Kong's Hang Seng Index fell 0.5%, Japan's Nikkei 225 lost 1.9% and China's Shanghai Composite Index ticked up 0.2%.

The pan-continental Stoxx Europe 600 fell 0.2%, led down by stocks in the basic-resources, auto and industrial sectors. Miners Anglo American and BHP Group both fell around 3.4%, as copper prices pulled back from recent highs.

In the bond market, the yield on benchmark 10-year Treasury notes edged up to 1.669% Thursday from 1.635% Wednesday. Bond yields and prices move in opposite directions.

Brent crude, the international oil benchmark, fell nearly 2.3% to \$83.88 after rising to \$85.82 Wednesday.

The Turkish lira hit a record low, losing 2.2% against the greenback, with one dollar buying 9.4252 lira. Turkey's central bank lowered its key interest rate to 16% from 18%, a larger cut than was expected by investors.