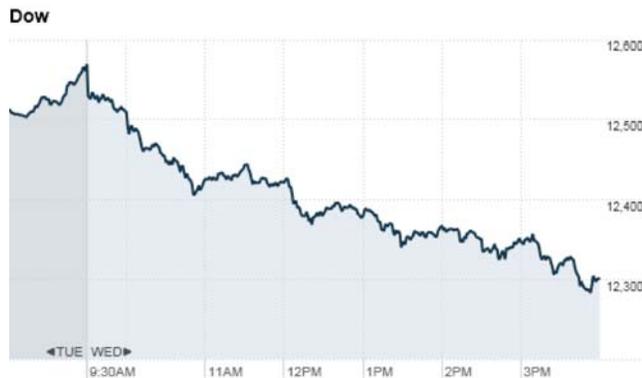


Stocks: Worst day of the year for Dow, S&P 500

By Hibah Yousuf June 1, 2011: 4:34 PM ET



NEW YORK (CNNMoney) -- A triple dose of bad news sent stocks sharply lower Wednesday afternoon, with the Dow and S&P 500 posting their steepest losses in nearly a year.

The Dow Jones industrial average (**INDU**) fell 280 points, or 2.2%, with all of the blue chip index's 30 components in the red. Caterpillar (**CAT, Fortune 500**), Alcoa (**AA, Fortune 500**) and Bank of America (**BAC, Fortune 500**) were the worst performing stocks on the blue-chip index, falling more than 4%.

The S&P 500 (**SPX**) lost 31 points, or 2.3%, and the Nasdaq Composite (**COMP**) slid 66 points, or 2.3%.

The declines were the worst since last August for the Dow and S&P, while the Nasdaq's performance was the worst in nearly four months.

Stocks were under pressure right at the open following a dismal report on private sector employment, and the selling gained momentum after the U.S. manufacturing report was released.

The Institute for Supply Management's manufacturing index for May fell to 53.5, falling short of economists forecast for a 57 reading.

"Weak economic data has started to snowball," said Michael Sheldon, chief market strategist at RDM Financial. "Initially, we just had bad news from the weekly jobless claims data, but now we're starting to see a broad-based economic slump."

Late in the trading session, the slide in stocks got steeper as concerns about Europe's debt problems resurfaced. **Moody's cut Greece's bond rating** by three notches to Caa1, which put the debt-ridden country's debt even further in junk territory.

Markets' mixed signals - StockTwits

Commodities followed stocks' lead to trade lower. Oil prices slumped 2.4% to \$100.29 a barrel, while copper slid 1.7% to \$4.11 a pound.

Shares of Freeport McMoRan (**FCX, Fortune 500**), the world's largest copper producer, tumbled 4%.

The daily gyrations stem from underlying worries about where the economy is headed.

Wall Street's most widely cited measure of volatility and fear, the VIX (**VIX**), surged more than 18% Wednesday to 18.31. But it's still far below 30 -- the level that's thought to indicate investor fear.

The signs of a stalling recovery have been building during the last several weeks, prompting **stocks** to deliver their worst monthly performance in May since August 2010.

But while it's been a rough several weeks, stocks are still up about 5% for the year.

U.S. + [Business](#) [Markets](#) [Tech](#) [Media](#) [Personal Finance](#) [Small Biz](#) [Luxury](#) [stock tickers](#)

union bond buying program, commonly known as QE2.

Economy: The first of this week's **jobs-related economic reports** showed that the pace of planned job cuts edged higher in May, according to a report from outplacement consulting firm Challenger, Gray & Christmas.

A separate report by ADP showed private-sector payrolls added only 38,000 jobs in May. The number fell well below the 170,000 private sector jobs economists were expecting, according to an estimate from Briefing.com.

Both sets of data are typically used to forecast the government's closely watched monthly jobs data due Friday.

A CNNMoney survey of 26 economists expect the government's jobs report to show a total gain of 170,000 jobs, and a private sector gain of 190,000, with the unemployment rate edging down to 8.9%.

The Commerce Department said construction spending rose 0.4% in April, following a 0.1% rise the previous month. Economists were expecting spending to drop 1%.

5 stocks for cloud computing

Companies: Shares of Marathon Oil (**MRO, Fortune 500**) slipped 2.8% after the Houston-based company said it is buying oil and natural gas fields within the state's Eagle Ford shale formation for \$3.5 billion.

Telvent (TLVT)'s stock jumped more than 15% following news that the energy software company will be acquired by Schneider Electric for \$1.4 billion.

Shares of JoS A. Bank Clothiers (JOSB) tumbled 13% after the men's clothing retailer's first-quarter profit failed to meet Wall Street's expectations.

World markets: European stocks fell Wednesday. Britain's FTSE 100, France's CAC 40 and the DAX in Germany shaved more than 1%.

The United Kingdom's manufacturing sector also signaled weakness. While the sector did continue to expand, it grew at the slowest rate since September of 2009.

And while China's manufacturing sector continued to expand, the most recent data showed that it expanded at the slowest rate in 10-months.

Asian markets ended mixed. The Shanghai Composite finished the session flat, while the Hang Seng in Hong Kong lost 0.2% and Japan's Nikkei ticked up 0.3%.

How a Greek farce could delight the dollar

Currencies and commodities: The dollar rose against the euro and the the British pound but slipped versus the Japanese yen.

Gold futures for August delivery rose \$6.40 to settle at \$1,543.20 an ounce.

Bonds: The price on the benchmark 10-year U.S. Treasury rose, with the yield **dipping below 3%** for the first time since December. ■

First Published: June 1, 2011: 9:39 AM ET

Content

Tools

Connect

Most stock quote data provided by BATS. Market indices are shown in real time, except for the DJIA, which is delayed by two minutes. All times Disclaimer. Morningstar: © 2016 Morningstar, Inc. All Rights Reserved. Factset: FactSet Research Systems Inc. 2016. All rights reserved. Chicago Mercantile Association: Certain market data is the property of Chicago Mercantile Exchange Inc. and its licensors. All rights reserved. Dow Jones: The Dow Jones branded indices are proprietary to and are calculated, distributed and marketed by DJI Opco, a subsidiary of S&P Dow Jones Indices LLC and have been licensed for use to S&P Opco, LLC and CNN. Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC. All content of the Dow Jones branded indices © S&P Dow Jones Indices LLC 2016 and/or its affiliates.

© 2016 Cable News Network. A Time Warner Company. All Rights Reserved. Terms under which this service is provided to you. Privacy Policy. AdChoices 

[U.S. +](#) [Business](#) [Markets](#) [Tech](#) [Media](#) [Personal Finance](#) [Small Biz](#) [Luxury](#) [stock tickers](#)