

US stocks fall again as bond yields rise more

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Wall Street stocks fell for a third straight session as treasury bond yields rose further from multi-year highs, stoking fears about equities and other risk assets. (AFP/Photo)

New York, Aug 17, 2023 (AFP) - Wall Street stocks fell for a third straight session as treasury bond yields rose further from multi-year highs, stoking fears about equities and other risk assets.

The yield on the 10-year US Treasury note, which hit a 15-year peak on Wednesday, climbed above 4.3 percent.

"US equities will be under stress until yields going higher hopefully reverses," said Jack Ablin, chief investment officer of Cresset Capital.

The Dow Jones Industrial Average finished down 0.8 percent at 34,474.83.

The broad-based S&P 500 fell 0.8 percent to 4,370.36, while the tech-rich Nasdaq Composite Index dropped 1.2 percent to 13,316.93.

The rise in yields comes amid worries the Federal Reserve could continue to hike interest rates or could leave interest rates at lofty levels for longer to counter sticky inflation.

"The current slow-motion, long-term rate shock has a way to go, in our view, and equity markets will struggle as it evolves," said a note from DataTrek. "All this fits with our belief that we're in for a sloppy few weeks ahead."

Among individual companies, Walmart finished down 2.2 percent even as it lifted its earnings forecast following better than expected quarterly results.

Despite the higher projections, Walmart "was a bit cautious on its macro outlook," said Briefing.com.

But Cisco Systems jumped 3.3 percent as the technology company reported better than expected earnings as it pointed to "solid customer demand" and described strong momentum behind its business.