

Tech giants plunge again, pushing market into red for year

By MARLEY JAY
AP Markets Writer



In this Nov. 9, 2018, file photo trader Vincent Napolitano, left, works on the floor of the New York Stock Exchange.

Photo/Richard Drew, File

NEW YORK — Stocks dropped again Tuesday as losses mounted for the world's largest technology companies. Retailers also fell, and energy companies plunged with oil prices as the market sank back into the red for the year.

Oil prices tumbled another 6.6 percent as Wall Street reacted to rising oil supplies and concerns that global economic growth will slow down, a worry that's intensified because of the trade tensions between the U.S. and China. U.S. crude has plunged 30 percent since early October.

Technology companies were hit after the Trump administration proposed new national security regulations that could limit exports of high-tech products in fields, such as quantum computing, machine learning and artificial intelligence.

Retailers also skidded. Target's profit disappointed investors as it spends more money to revamp its stores and its website, while Ross Stores, TJX and Kohl's also fell on disappointing forecasts.

The S&P 500 index lost 48.84 points, or 1.8 percent, to 2,641.89. The Dow Jones Industrial Average sank 551.80 points, or 2.2 percent, to 24,465.64.

The tech-heavy Nasdaq composite lost 119.65 points,

or 1.7 percent, to 6,908.82. The Russell 2000 index of smaller-company stocks shed 27.53 points, or 1.8 percent, to 1,469.01.

The Dow Jones Industrial Average has lost 3.7 percent in the last two days, and the S&P 500 is off 3.4 percent. The Nasdaq, heavily populated with technology stocks, is off 4.7 percent. The S&P 500 index has fallen 9.9 percent from the record high it set exactly two months ago.

Investors are measuring a number of headwinds and increasingly playing it safe. The global economy is showing signs of weakening, with the United States, China and Europe all facing the rising threat of a slowdown, which can hurt demand for commodities, such as oil, and pose a threat to company profits. Trade tensions between the U.S. and China appear to be getting worse instead of improving, con-

tributing to the sell-off in tech stocks and multinational industrial companies.

For much of this year, investors were hopeful the U.S. and China would easily resolve their differences on trade. That hope has faded in the last two months. Later this month U.S. President Donald Trump and China President Xi Jinping are expected to meet at a gathering of the Group of 20 major economies, and for invest-

tors, the newly proposed limits on tech exports were one more hint the leaders probably won't reach a deal.

"A resolution doesn't seem to be coming in the short term," said Katie Nixon, the chief investment officer for Northern Trust Wealth Management. "A lot of the companies that are front and center (like) Alphabet, Apple, IBM ... could be significantly limited in the way they export their

technology."

Apple fell 4.8 percent to \$176.98 and is down 23.7 percent from the peak it reached Oct. 3, though it's still up almost 5 percent this year. Microsoft lost 2.8 percent to \$101.71 and IBM fell 2.6 percent to \$117.20.

As the tech giants swoon, investors have lately turned to safer bets, such as utilities, real estate companies and makers of household goods. They've also sought the safety of U.S. Treasuries.

The price of oil has been falling sharply in recent weeks, and is now down 30 percent since October 3.

Saudi Arabia and other countries started producing more oil earlier this year after the Trump administration announced renewed sanctions on Iran, Nixon noted. The administration then granted waivers to several countries allowing them to continue importing Iranian oil, creating a supply glut that pushed prices dramatically lower.

Nixon said OPEC countries will probably cut back on oil production, but some investors are worried that the buildup in crude stockpiles is a sign the global economy isn't doing as well as expected.

Earnings from retailers didn't help investors' mood. Target plunged 10.5 percent to \$69.03 after reporting earnings that missed Wall Street's estimates due to higher expenses.

Trump says no penalty for Saudi prince for Khashoggi murder

By DEB RIECHMANN
Associated Press

WASHINGTON (AP) — President Donald Trump declared Tuesday he would not further punish Saudi Arabia for the murder of U.S.-based columnist Jamal Khashoggi — making clear in an exclamation-filled statement that the benefits of good relations with the kingdom outweigh the possibility its crown prince ordered the killing.

The president condemned the brutal slaying of Khashoggi inside the Saudi consulate in Istanbul as a "horrible crime ... that our country does not condone." But he rejected calls by many in Congress, including members of his own party, for a tougher response, and also dismissed reports from U.S. intelligence agencies that Crown Prince Mohammed bin Salman must have at least known about such an audacious and intricate plot.

"It could very well be that the crown prince had knowledge of this tragic event," the president said. "Maybe he did and maybe he didn't!"

In many ways, the statement captured Trump's view of the world and foreign policy, grounded in economic necessity. It began with the words "America First!" followed by "The world is a very dangerous place!"

It came after weeks

of debate over whether the president would or should come down hard on the Saudis and the crown prince in response to the killing of the Saudi columnist for *The Washington Post* who had criticized the royal family.

The U.S. earlier sanctioned 17 Saudi officials suspected of being responsible for or complicit in the Oct. 2 killing, but members of Congress have called for harsher actions, including canceling arms sales.

Trump said "foolishly canceling these contracts" worth billions of dollars would only benefit Russia and China, which would be next in line to supply the weapons. Critics denounced Trump's statement saying he ignored human rights and granted Saudi Arabia a pass for economic reasons.

Asked by a reporter if he was saying that human rights are too expensive to fight for, he responded, "No, I'm not saying that at all." But then he switched the subject to the "terrorist nation" of Iran rather than any actions by Saudi Arabia.

The U.S. needs a "counterbalance" to Iran, "and Israel needs help, too," he said. "If we abandon Saudi Arabia, it would be a terrible mistake."

The mistake was



Khashoggi

Trump's, said Republican Sen. Rand Paul of Kentucky, contending the administration has "blinders on" in comparing Iran and Saudi Arabia.

"It's a sign of weakness not to stand up to Saudi Arabia," Paul said in an interview. "Sometimes when you have two evils, maybe you don't support either side."

Republican Lindsey Graham, the South Carolina senator who is close to Trump, also disagreed with the president's statement, saying America must not lose its "moral voice" on the international stage.

"It is not in our national security interests to look the other way when it comes to the brutal murder of Mr. Jamal Khashoggi," Graham said.

Likewise, Rep. Adam Schiff, ranking Democrat on the House intelligence committee, said that to suggest that U.S. silence can be bought with arms sales "undermines respect for the office of the presidency, the credibility of our intelligence community and America's standing as a champion of human rights."

Trump's statement, issued just before he pardoned the Thanksgiving turkey at the White House and left for the long hol-

iday weekend in Florida, underscored his world view of putting U.S. interests — both financial and geopolitical — above all else.

He told reporters on the South Lawn that oil prices would "skyrocket" if the U.S. broke with the Saudis, and he was not going to "destroy" the world's economy by being "foolish with Saudi Arabia."

Asked about any per-

sonal financial involvement, he said, "Saudi Arabia has nothing to do with me. What does have to do with me is putting America first."

Trump said that King Salman and Crown Prince Mohammed both "vigorously deny" any knowledge of the planning or execution of the killing. He also said the CIA has not made a conclusive determination about whether the crown prince

ordered it.

A U.S. official familiar with the case told The Associated Press last week that intelligence officials had concluded that the crown prince, the kingdom's de facto leader, did order the killing. Others familiar with the case, however, have cautioned that while it's likely the crown prince had a role there continue to be questions about the degree.

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