

Stocks close out best quarter in five years on a quiet note

By Marley Jay
AP Market writers

NEW YORK — U.S. stocks ended back where they started Friday as the stock market wrapped up its best quarter in almost five years. Electric car maker Tesla plunged after federal regulators moved to oust CEO Elon Musk following his tweet last month saying that he was close to a deal to take Tesla private.

Health care companies did better than any part of the market during the third quarter and they continued to rise Friday, while technology companies rose as chipmakers also traded higher. Facebook said it discovered a security breach in which 50 million accounts were accessed by unknown attackers, and its stock fell again, ending its worst quarterly run in six years.

Global banks fell and European stocks skidded after Italy's new government announced a big increase in spending. Italy's main stock index fell almost 4 percent

as investors worried that the government's plan will lead to a clash with European Union leaders who want Italy to reduce its debt level.

Through the third quarter, pain in other markets led to gains for U.S. stocks, and that was true again Friday. The S&P 500 rose 7.2 percent, its biggest increase since the end of 2013.

One reason is that investors are worried about other regions, especially emerging markets. The currencies of Turkey and Argentina both dropped during the quarter and investors worried that their currency and economic problems would harm the rest of the world.

"Investors do pivot to the U.S. when they have concerns about other regions," said Marina Severinovsky, an investment strategist at Schroders. But emerging markets stocks have bounced back somewhat over the last two weeks, and Severinovsky said they might do better than U.S. stocks in the fourth quarter.

"The pessimism around those regions is probably too much," she said.

The S&P 500 index inched down 0.02 points to 2,913.98. The Dow Jones Industrial Average rose 18.38 points, or 0.1 percent, to 26,458.31. The Nasdaq composite added 4.38 points, or less than 0.1 percent, to 8,046.35. The Russell 2000 index of smaller-company stocks gained 6.04 points, or 0.4 percent, to 1,696.57.

The spending plans announced by Italy's new government would expand its budget deficit. European Union leaders want Italy to bring down its debt level, which is the highest of any EU country after Greece.

Italy's FTSE MIB sank 3.7 percent while the German DAX gave up 1.5 percent. France's CAC 40 lost 0.8 percent and the FTSE 100 index in Britain shed 0.5 percent.

Yields on Italian government bonds rose sharply, a sign of lower investor confidence in the government's

financial strength. The yield on Italy's 10-year bond jumped to 3.14 percent from 2.89 percent, a huge move.

Italian bank UniCredit sank 6.7 percent to \$12.96. Among European banks, Barclays dipped 3.6 percent to \$8.95. In the U.S., Goldman Sachs shed 1.5 percent to \$224.24.

Tesla suffered its worst loss in almost five years. It dropped 13.9 percent to \$264.77 after the Securities and Exchange said Musk committed securities fraud with his statement about taking Tesla private. The SEC launched an investigation after Musk tweeted that he had secured the funding for his transaction, but it soon became clear that the company wasn't close going private.

Musk called the action unjustified. His tweet said the company would go private at \$420 per share, and the stock jumped to almost \$380 that day. It's fallen 31 percent since then.

Facebook fell 2.5 percent to \$164.52 after it disclosed

the breach. That capped a brutal three months for social media companies. Facebook plunged 19 percent on July 26 after it said user growth had slowed, a drop that slashed Facebook's value by \$119 billion, its biggest one-day loss as a public company.

Facebook fell 15 percent in the third quarter and Twitter dropped 35 percent, more than any other S&P 500 stock. Twitter was on a huge run until July 27, when it, too, it reported weak user growth. Investors also worried about the possibility of greater regulation of both companies following hearings in Congress.

"In the U.S. and Europe these companies have largely been allowed, as they've grown to the size and scale and influence that they have, to self-regulate," said Severinovsky, of Schroders. "I think that era is over."

Japan's Nikkei 225 jumped 1.4 percent after the country agreed to open negotiations on a trade agreement with the United

States. The move won Japan relief from the immediate threat of punitive tariffs on its auto exports to the U.S. Hong Kong's Hang Seng index added 0.3 percent and South Korea's slipped 0.5 percent.

Energy companies rose as benchmark U.S. crude rose 1.6 percent to \$73.25 per barrel in New York. Brent crude, used to price international oils, added 1.2 percent to \$82.72 per barrel in London.

Gold rose 0.7 percent to \$1,196.20 an ounce. Silver jumped 3 percent to \$14.71 an ounce. Copper gained 0.8 percent to \$2.81 a pound.

Wholesale gasoline added 0.9 percent to \$2.10 a gallon. Heating oil rose 1.2 percent to \$2.35 a gallon. Natural gas fell 1.6 percent to \$3.01 per 1,000 cubic feet.

Bond prices were little changed. The yield on the 10-year Treasury note stayed at 3.05 percent.

The dollar rose to 113.58 yen from 113.42 yen. The euro fell to \$1.1610 from \$1.1658.

AMAZON

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first time that has happened in the 18 years that data on open jobs has been tracked.

As competition among companies for qualified workers grows more intense, they are increasingly willing to pay more wages.

Raising starting wages isn't just good publicity for Amazon and other major retailers. It helps them save money that would be lost as trained workers leave for higher pay elsewhere.

Both Walmart and Target say their businesses have benefited from their moves to raise wages. Walmart has seen lower turnover among its employees and has said that its higher pay helped improve customer experience in the stores.

Walmart is currently the largest private employer in the nation, with a workforce topping 1.5 million employees.

Target said that it has seen a better pool of applicants after its moves to hike hourly pay.

Target's CEO Brian Cornell recently said that the number of job applicants rose by 60 percent in the days after Target increased its minimum wage by \$2 to \$11 per hour last year. This past spring, it raised its starting hourly pay for its workers to \$12.

Target said last September that it planned to raise hourly pay to \$15 by 2020. With Tuesday's move, Amazon has done that already.

Pay for warehouse workers at Amazon can vary by location. It was offering at least \$12.25 an hour in Omaha, Nebraska, \$13

in Baltimore and \$16.50 in New York, according to recent job postings. The median pay for an Amazon employee last year was \$28,446 worldwide, according to government filings, which includes full-time, part-time and temporary workers.

In two decades the company expanded far beyond its bookseller beginnings, combining its world-spanning retail operation with less flashy but very profitable advertising and cloud computing businesses. Last month it became the second publicly traded company to be worth \$1 trillion, hot on the heels of Apple.

But corporate profits in the U.S. are booming, and that wealth isn't being spread out nearly fast enough for many. Amazon earned \$2.53 billion in just

the second quarter alone.

On Tuesday, fast food workers in Michigan are going to kick off a series of protests in the Midwest and elsewhere around the country in support of unions and a \$15 minimum wage.

Neil Saunders, managing director of GlobalData Retail, said Tuesday that while Amazon's wage hike is a politically savvy move, it's also a change made out of economic necessity. With a healthy U.S. economy, Americans looking for work have an increasing number of job options, so Amazon has to find ways to entice people to join its company.

Amazon is also increasing wages in some areas outside the U.S. The company announced that the minimum wage will be 10.50 pounds an hour in London and



AP Photo

Amazon will now be raising its wages for its workers to \$15 per hour.

9.50 pounds in other parts of the UK. The increases will include 17,000 Amazon employees as well as 20,000 seasonal workers.

Amazon.com shares were little changed Tuesday, but they have been among the

best performers in the S&P 500 this year, with a gain of about 70 percent, compared with a gain of 9 percent for the S&P.

The company is the second-most valuable in the index after Apple Inc.

REALTY

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Grande area (Langdon moved to Eastern Oregon in 2005).

"I feel like it was pretty collaborative," Hines said of starting the group. "I wouldn't have done this unless I had this team that showed interest in having the same type of (work) environment. Everybody here has been selling real estate for years. We all work really well together."

Hines hopes the team will create a career-driven work atmosphere where agents hold themselves to the same ethical and professional standards, that ensures equality among all brokers. One of her goals is that the business' structure will allow for more broker independence, especially within advertising, and focus on quality over quantity.

"Our core values are very similar, and that's one of the things we focused on — we all use the same values in our business," Hines said of her team. "Everybody is involved with the commu-

nity in different ways. We all present ourselves professionally — we know (the business) and follow the code of ethics. I think all these agents will be here through thick and thin."

Hines believes their unconventional office space will also help provide a better client experience.

"One thing we're really excited about is (the office). It's set up a bit differently — it's more private versus your standard open (real estate) office," she said. "We loved this location, being close to downtown, and liked the charm it has."

Blue Summit will focus primarily on Union County, though it will service Baker, Wallowa and Umatilla counties as well, providing listing and buying for all types of properties (homes, land, commercial, farms and ranches).

"We're all eager to capitalize on what the industry is doing, because it's constantly changing," Hines said. "The internet and some of those major websites (like Zillow) have changed the way people search for and market their

homes — it's everybody's go-to. To better serve my client, I'm going to focus my advertising where everybody's going, so that's what we're trying to do. We're trying to spend (money) where it should be spent."

In designing a business model for Blue Summit, Hines wanted to shift to a more progressive approach versus relying on traditional practices. The office is paperless, for example, and instead of a group-controlled marketing fund, brokers have the authority to advertise how they choose, with a greater online presence. Hines said the group is focusing on online presentation of their listings and having quality photography. We are all mobile agents and try to use technology to be more efficient for our clients.

This allows the members of the team "to invest in the community and their business how they want to and where they feel there's value. There's a little more

independence there," Hines said. "We all agreed it was important to focus on (technology) for the sake of our clients and to better serve (them) in the long run. It's just a forward-thinking team."

Hines, an EOU business graduate, found herself in real estate almost by chance. Her father was a builder, and she worked for him on and off during her collegiate years.

"I've always liked housing, in and of itself, and the idea of that," she said. "I'm business-minded, (and) I think (real estate) fell into what I'd learned and what I knew, so I said 'why not make it my senior project?' I did, and I loved it."

She obtained her real estate license the summer before her senior year and began selling real estate through the remainder of her final year at EOU. Twelve years later, Hines shows no signs of slowing down and still finds gratification in her chosen field.

"Buying a house is a huge thing, and the joy and stress you see, (dealing with) multiple personalities and different properties — it's very diverse and stimulating. Being able to take that journey with (buyers) is really cool," she said. "I'm always learning (and) every transaction is different. It allows me to see and enjoy the community on a daily basis."

Concerning potential area competitors, Hines seemed less worried about competing and focused, instead, on her confidence in Blue Summit and its mission.

"I've found if you do your job well, provide a good

service and work hard, you'll succeed," Hines said. "People want to go where the job gets done well. Word of mouth and reputation is huge (and) we want to have referral and repeat business. I think that happens naturally when you're good at what you do and commit to it."

"We have an established, great group of agents, and we're all excited to help this community," Hines said. "There are a lot of things I'm looking forward to, and I'm excited to see where things go."

Contact Audrey Love at 541-963-3161 or email alove@lagrandeobserver.com.

BRIEFLY

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and businesses stay vigilant. BBB articles will focus on HTTPS, what it is, why it's important and how small businesses can migrate to HTTPS to increase security. Articles and a cybersecurity toolkit for small businesses can be found at www.BBB.org/BBBSecure.

Follow the hashtags

#BBBSecure and #Cyber-Aware for more BBB tips on staying safe online. BBB will also host weekly Twitter discussions each Thursday in October at noon (PDT) and weekly Facebook live videos on variety of cybersecurity topics. Anyone who feels they may be a victim of a cybercrime should report it to local law enforcement and BBB Scam Tracker at bbb.org/scamtracker.

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