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Stock Market Has Wild Week Of Ups And Downs

ROBERT SIEGEL, HOST:

The global economy is slowing down and it's causing a lot of investors to run for shelter. The Dow, the S&P 500 and NASDAQ all finished the day down about 2 percent. Oil prices also fell sharply. As NPR's Jim Zarroli reports, the week has been defined by sharp ups and downs.

JIM ZARROLI: It was the third straight day of triple digit movements by The Dow and it came after some disappointing economic news from Europe. Both Germany and France have reported steep drops in exports. Meanwhile, Japan, Brazil and Russia are all seeing tepid growth. Even China, an economic powerhouse, is seeing a slowdown because of nervousness about its banks and real estate market.

BERNARD BAUMOHL: There are a lot of factors that are in flux right now. Rarely have we seen such a bewildering array of economic and geopolitical shocks.

ZARROLI: Bernard Baumohl is chief economist at The Economic Outlook Group.

BAUMOHL: All these things pose real challenges to business leaders, to investors and certainly to government policymakers. These are very difficult times.

ZARROLI: By far the worst performer is the Euro zone. The International Monetary Fund is warning that Europe could go into its third recession in

six years if policymakers don't do more to stimulate grow. And the ongoing trouble in Europe is likely to be felt by a lot of big U.S. companies, says Nariman Behravesh, chief economist at IHS.

NARIMAN BEHRAVESH: There are a lot of companies in the U.S. -American-owned and run companies - that have big operations in Europe a big exposure to European sales. It is those companies more than any other that are getting hit.

ZARROLI: Behravesh says ironically the U.S. economy is now faring better than much of the rest of the world. But a slowdown in so many other places is bound to be felt here eventually. And investors are increasingly worried that U.S. stocks could be a risky place to be. Jim Zarroli, NPR News, New York.

(Transcript)