

Wall Street drops about 1pc, tracking German Dax
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NEW YORK, Aug 25 — Stocks fell about 1 per cent on Thursday, tracking weakness in German and European shares and overshadowing Berkshire Hathaway's investment in Bank of America that lifted the beaten down financial sector.

The FTSEurofirst 300 index of top European shares fell 1.2 per cent and Germany's DAX slumped 2 per cent on trader talk a short-selling ban may be enacted in Germany, following other European nations. A German Finance Ministry spokesman told Reuters they are not planning a general short-selling ban.

Markets have been sensitive to developments in the euro zone region, given the area's persisting sovereign debt crisis and concerns about European banks' stability.

"What is now pressuring stocks is this obviously out-of-character move that we saw in the German DAX. People are clamouring to find out what initiated that," said Marc Pado, US market strategist, Cantor Fitzgerald & Co in San Francisco.

Apple Inc fell 1.7 per cent to US\$369.92 (RM1,098.60) a day after co-founder Steve Jobs resigned as chief executive, keeping the Nasdaq negative. Apple is also one of the biggest S&P 500 components.

Berkshire Hathaway Inc, Warren Buffett's conglomerate, will buy a big chunk of the lender's preferred shares for US\$5 billion. Bank of America, a Dow component, jumped 12 per cent to US\$7.85, but was still down for the month. The KBW banks index .BKX rose 1.3 per cent.

The Dow Jones industrial average slid 156.02 points, or 1.38 per cent, at 11,164.69. The Standard & Poor's 500 Index was down 16.28 points, or 1.38 per cent, at 1,161.32. The Nasdaq Composite Index took off 38.33 points, or 1.55 per cent, at 2,429.36. — Reuters

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