

## NEWS RELEASE

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WALL STREET'S SHARP REBUKE TO RESCUE SHORT ON DETAIL  
FINANCIAL STOCKS LEAD HERD OVER THE CLIFF

By Alejandro Lazo - The Washington Post

Stocks plummeted yesterday as the Obama administration presented its financial rescue plan and the Senate passed its version of the long-awaited fiscal stimulus package.

Financial companies, the intended primary benefactors of the government's rescue plan, led the fall as every stock in the Dow Jones industrial average ended in the red as the blue-chip index closed down 4.62 percent.

The Dow Jones fell 381.99 points to close at 7888.88. Other broader indexes also fell. The Standard & Poor's 500-stock index shed 42.73 points, or 4.9 percent, to close at 827.16. The tech-heavy Nasdaq composite index sank 66.83 points, or 4.2 percent, to close at 1524.73.

Traders and Wall Street analysts attributed the nosedive to a lack of detail in Treasury Secretary Timothy F. Geithner's highly anticipated speech earlier in the day, in which he described the administration's plan to commit up to \$1.5 trillion in public and private funds to help financial firms and get credit rolling through the economy again.

"It seems like the investment public is just fed up with on-again, off-again programs, and there has been no manifestation of an impact on any of the problems, so I think there is a wait-and-see attitude," said Randy Bateman, chief investment officer and president of Huntington Asset Advisors. Meanwhile "there are going to be more layoffs in this first quarter, there are going to be bad earnings this quarter and my guess is it is going to be an ugly earnings season."

Others were far more harsh in their criticism.

"I wish the government would stop speaking," said Mark A. Coffelt, president and chief investment officer of Empiric Funds in Austin. "Why did you even call a press conference? Geithner said . . . nothing other than 'It's going to be transparent, good.' That's not exactly what we are looking for. It is frustrating."

The declines followed a relatively flat day of trading Monday after the Obama administration delayed announcement of its rescue plan to increase pressure on Congress to pass the \$838 billion stimulus bill. The Senate approved the bill yesterday by a vote of 61 to 37.

The Dow is about 340 points away from its late-November low, when the blue-chip average hit its trough of 7552.90.

Yesterday's decline deepened as investors -- who had bid up the price of stocks last week in anticipation of this week's announcement -- cashed in their gains and sold, traders and analysts said.

"There was nothing to really grab on and say 'this is a revolutionary approach that has a really high chance of working,'" Denis J. Amato, chief equity strategist with Ancora Advisors in Cleveland, said of Geithner's speech. "So when the bank stocks reacted negatively, it sort of took the whole market down."

Bank of America was the Dow's biggest loser Tuesday falling \$1.33, or 19.3 percent to close at \$5.56. Shares of Citigroup were not far behind, falling 60 cents, or 15.19 percent, to close at \$3.35.

General Motors closed down 13 cents, or 4.6 percent, at \$2.70 after the auto giant said it would cut its workforce by 10,000 to 63,000 and impose pay cuts for the rest of its workers. The job cuts come as the Detroit giant prepares a restructuring plan to show the federal government next week.

The yield on 10-year Treasury bonds also fell sharply on Tuesday to 2.9 percent from 3.1 percent on Monday.

Overseas, markets were down. London's benchmark FTSE index fell 2.2 percent or 94.53 points to close at 4,213.08. In Germany, the DAX index fell 3.5 percent, or 161.28 points, closing at 4505.54. The Nikkei fell 0.3 percent, or 23.09 points, to close at 7945.94.

Staff writer Tomoe Murakami Tse contributed to this report.