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# Dow Closes Down Over 300 Points, Nasdaq Falls Into Correction Territory

Stocks end lower Wednesday as Wall Street reacts to better-than-expected earnings reports and rising Treasury yields.

MARTIN BACCARDAX AND ROB LENIHAN • JAN 19, 2022 7:51 AM EST

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Stocks finished lower Wednesday, while Treasury yields extended their recent surge amid bets that the Federal Reserve will quicken the pace of near-term rate hikes as inflationary pressures continue to build in the world's largest economy.

Tech stocks also slipped into so-called correction territory, with the Nasdaq Composite now 10% lower than its record closing high on Nov. 19.

The Dow Jones Industrial Average ended down 339 points, or 0.96%, to 35,028, while the S&P 500 was off 0.97% and the Nasdaq dropped 1.15%.

Stocks were hit hard by the prospects of faster rate hikes Tuesday, while [weaker-than-expected quarterly earnings](#) from Goldman Sachs ([GS](#)) - [Get Goldman Sachs Group, Inc. Report](#) kept the Dow deeply in the red, closing out its worst day since November, and pushed the S&P 500 into a year-to-date decline of around 4%.

A March rate hike is [all but assured from the Fed](#), according to interest rate futures, but bets on a 50 basis point move are starting to creep in, lifting 2-year Treasury note yields to a February 2020 high of 1.075% in early New York trading.

- [Stocks Edge Higher, Ford Cashes In, 5G Rollout Pause, Bullish ASML And Donald Trump - 5 Things You Must Know](#)

Further upside pressures on oil prices, [which have lifted WTI crude to the highest levels in seven years](#), were evident overnight amid disruption in a pipeline between Iraq and Turkey, while benchmark 10-year German bund yields traded in positive territory for the first time since 2019.

"The market is trying to figure out what level of interest rates makes sense given the Federal Reserve's rate hike plans in 2022, which is adding significant short-term volatility to the stock market," said Richard Saperstein, chief investment officer at New York-based Treasury Partners. "This path to normalization can only occur because of a strong economy and a strong economy should benefit corporate earnings."

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Procter & Gamble (**PG**) - [Get Procter & Gamble Company Report](#) gave the big board a lift with [stronger-than-expected second quarter earnings](#) powered by the consumer brands group's ability to raise prices in the face of rising freight and commodity costs. Shares ended up 3.4%.

Bank of America (**BAC**) - [Get Bank of America Corp Report](#) shares rose modestly after the lender [topped Wall Street forecasts for its Q4 earnings](#) and said its total expenses for the coming year would largely match 2021 levels, removing a key profit concern in an otherwise bullish outlook.

Morgan Stanley (**MS**) - [Get Morgan Stanley Report](#) gained 1.9% after [posting stronger-than-expected fourth-quarter earnings](#) thanks to robust performances in the bank's wealth management and asset management groups.

Shares of San Francisco-based fintech SoFi ([SOFI](#)) - [Get SoFi Technologies Inc Report](#) surged 13.7% after the popular mobile-first banking and lending company [received regulatory approval to officially become a bank](#).

UnitedHealth ([UNH](#)) - [Get UnitedHealth Group Incorporated Report](#) finished slightly higher after again [seeing Optum revenues drive top and bottom line gains for the country's biggest health insurance group](#).

Ford ([F](#)) - [Get Ford Motor Company Report](#) shares fell 7.9% after the carmaker said late Tuesday that its early investment in Rivian Automotive ([RIVN](#)) - [Get Rivian Automotive, Inc. Class A Report](#) would add around [\\$8.2 billion to its fourth quarter bottom line](#).

U.S. chip stocks jumped higher, as well, after semiconductor equipment maker ASML NV ([AMSL](#)) posted stronger-than-expected fourth quarter earnings and issued a robust near-term outlook for the sector.

ASML, which finished down 2.3%, said demand for its extreme ultraviolet lithography systems, or EUV, machines, which design complex chips used by sector titans such as Samsung Electronics, Intel and Taiwan Semiconductor and cost as much as \$120 million, would help overall sales grow more than 20% this year, easing concerns that a fire in one of its German-based factories would impact supplies.

In overseas markets, Europe's Stoxx 600 closed 0.2% higher in Frankfurt while Japan's Nikkei 225 ended the session 2.8% lower in Tokyo thanks in part to a 12.8% slump for Sony Group following yesterday's [planned \\$69 billion takeover](#) of video game maker Activision Blizzard ([ATVI](#)) - [Get Activision Blizzard, Inc. Report](#) by Microsoft ([MSFT](#)) - [Get Microsoft Corporation Report](#).