



Ebola, Other Worries May Have Contributed To Rough Day On Wall Street

October 15, 2014 7:48 PM

NEW YORK(CBSNewYork) — Ebola was among the many reasons for a month-long bloodletting on Wall Street.

Stocks were deep in the red again on Wednesday, although they did rebound from a mid day swoon. At the closing bell the Dow was down 173 points at 16,141. Earlier in the day it had dipped below 16,000 for the first time since February.

The NASDAQ and the S&P also suffered losses.

There was a decent rally at the close, but it was still a triple-digit loss for the Dow.

As CBS 2's Tony Aiello explained, Ebola, economic growth, retail sales, manufacturing, and a wide set of worries were dragging on the markets.

At one point the Dow moved more than a thousand points in the space of 30 minutes.

“I'd say the market is reacting to some of the economic uncertainty we've seen. Some of the drags in earnings reports, some of the Ebola news, so I think the market is taking a pause here,” Kamesh Nagarajan, Senior VP, Morgan Stanley, explained.

The Dow has tumbled a thousand points in less than a month, and some wonder if a correction, a drop of 10 percent or more, is on the horizon.

“Only twice in the past 25-years has the market rallied this long without a 10 percent drop. I think it might be healthy. It reminds people, yes stocks can actually go down once in a while,” Jack Otter, editor, Barrons.com, explained.

Nagarajan said that his clients mostly take down days in stride, and that long-term he sees decent fundamentals for the U.S. economy.

“The earnings season has started and it looks relatively strong at this point. So again, we think this may be an opportunity for clients to revisit their balance, their portfolio mix, and look at where equities fit, and maybe increase some mix,” Nagarajan said.

That adviser told clients to determine their tolerance for risk and invest accordingly.

It's worth noting that some of the big funds that invest your 401k money are increasing their holdings in stocks, seen as a vote of confidence in their long-term performance.