

Wall St. sags on housing, economic woes

Major stock gauges slide as investors eye homebuilder Lennar's troubles, weaker than- expected consumer confidence report.

By Alexandra Twin, CNNMoney.com senior writer

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NEW YORK (CNNMoney.com) -- Stocks slumped Tuesday afternoon, as investors eyed a weak profit report from Lennar, the biggest new home builder in the U.S., and a big drop in consumer confidence and opted to bail out of a variety of sectors.

The Dow Jones industrial average (down 66.65 to 12,402.42, [Charts](#)), the broader S&P 500 (down 7.60 to 1,429.90, [Charts](#)) index and the Nasdaq (down 14.91 to 2,440.72, [Charts](#)) composite all lost at least 0.6 percent almost three hours into the session.

Stocks managed to end mixed Monday, as investors fought back at the end of a tough session in which a weak read on new home sales revived worries about the health of the economy.

Such concerns remained in place Tuesday after homebuilder [Lennar](#) (down \$0.91 to \$43.63, [Charts](#)) reported a [big drop](#) in quarterly profit and said its withdrawing its 2007 forecast, due to the uncertain housing picture. Shares slipped over 2 percent.

Adding to the recent spate of weak economic reports was the March [consumer confidence](#) index, which fell to 107.2 from a downwardly revised 111.2 in February. Economists surveyed by [Briefing.com](#) thought it would fall to 109 in the month.

"I think one has to be careful not to read too much into these incremental changes in these reports," said Richard Hoyt, PM at KDV Wealth Management. "We're at a point where bad news has twice the weight of good news, which is creating undue pessimism in the near term."

The week is a busy one for economic news. Reports due later in the week include: durable goods orders, GDP, personal income and spending, Chicago PMI, construction spending and University of Michigan consumer sentiment.

Blue chip declines were broad based, with 26 out of 30 Dow issues declining, led by [DuPont](#) (down \$1.18 to \$50.18, [Charts](#)), [General Motors](#) (down \$0.44 to \$31.81, [Charts](#)) and [Wal-Mart Stores](#) (down \$0.51 to \$47.33, [Charts](#)).

On the upside, biotech [Nuvelo](#) (up \$0.74 to \$3.83, [Charts](#)) surged 25 percent in unusually active Nasdaq trading after the company's experimental colon cancer drug received "fast-track" status from regulators. The process that can speed up the review of drug marketing applications.

Market breadth was negative. On the New York Stock Exchange, decliners topped advancers 11 to 4 on volume of 680 million shares. On the Nasdaq, losers beat advancers two to one as 890 million shares traded.

U.S. light crude [oil](#) for May delivery fell 41 cents to \$62.50 a barrel on the New York Mercantile Exchange after hitting a high for 2007 Monday on heightened geopolitical fears.

COMEX [gold](#) for April delivery rose 30 cents to \$664.20 an ounce.

[Treasury](#) prices were little changed with the yield on the 10-year note at about 4.60 percent, little changed from late Monday. Bond prices and yields move in opposite directions. In [currency trading](#), the dollar fell versus the euro and the yen.