

BUSINESS & FINANCIAL OVERVIEW

U.S. Stocks Turn Positive After Seeing Initial Weakness

After an initial move to the downside, stocks have rebounded over the course of morning trading on Wednesday. The major averages have bounced well off their lows of the session and into positive territory.

Currently, the major averages are all holding on to gains, although the Dow is up just 10.93 points or less than a tenth of a percent at 25,542.98. The Nasdaq is up 47.27 points or 0.6 percent at 7,781.77 and the S&P 500 is up 7.26 points or 0.3 percent at 2,841.67.

Stocks initially came under pressure following the release of a report from the Commerce Department showing an unexpected pullback in U.S. retail sales in the month of April.

The Commerce Department said retail sales edged down by 0.2 percent in April after spiking by an upwardly revised 1.7 percent in March.

Economists had expected retail sales to rise by 0.2 percent compared to the 1.6 percent jump originally reported for the previous month.

Excluding a steep drop in auto sales, retail sales inched up by 0.1 percent in April after surging up by 1.3 percent in March, although ex-auto sales had been expected to climb by 0.7 percent.

Negative sentiment was also generated in reaction to a Federal Reserve report showing an unexpected decrease in industrial production in April.

The Fed said industrial production fell by 0.5 percent in April following a revised 0.2 percent uptick in March. Economists had expected production to come in unchanged.

Selling pressure waned shortly after the start of trading, however, with reports President Donald Trump plans to delay imposing steep tariffs on auto imports contributing to the subsequent rebound.

A report from CNBC citing four sources said Trump plans to delay imposing the auto tariffs by up to six months as negotiations continue.

Computer hardware stocks have shown a strong move to the upside over the course of the morning, driving the NYSE Arca Computer Hardware Index up by 1.3 percent. The index continues to rebound after ending Monday's trading at its lowest closing level in well over a month.

Biotechnology and semiconductor have also moved notably higher on the day, while considerable weakness remains visible among financial stocks.

In overseas trading, stock markets across the Asia-Pacific region moved mostly higher on Wednesday following recent weakness. Japan's Nikkei 225 Index rose by 0.6 percent, while China's Shanghai Composite Index spiked by 1.9 percent.

