

**BUSINESS & FINANCIAL OVERVIEW**

## The last time the Dow underperformed the S&P 500 by this great a margin was 2009

The stock market is enjoying a solid week so far, but investors might not know it by gauging the performance of the Dow Jones Industrial Average, which by a few measures is registering its widest divergence with its U.S. peers over a two-day stretch in years.

As of Tuesday's close, the Dow DJIA, -0.38% was up 0.4% over the past two sessions, an otherwise respectable early start to a week, if not for the outsize performance of the S&P 500 index SPX, +0.30% up 1.8% week to date, and the Nasdaq Composite Index COMP, +0.44% , which is enjoying a two-day return of 2.5%, according to FactSet data.

That two-day outperformance between the Dow and S&P 500, a gap of 1.36 percentage points, is the widest since a similar stretch ended Oct. 21, 2014, when the broad-market gauge beat the 123-year-old blue-chip index by a 1.44 percentage-point margin, according to Dow Jones Market Data. Moreover, the last time the S&P 500 outperformed the Dow by 0.65 percentage points or better on successive days was the two-day period ended March 18, 2009.

Separately, the Nasdaq is seeing its biggest two-day outperformance, 2.05 percentage points, since the period ended Oct. 20, 2017, when it outstripped the Dow by 2.29 percentage points. Of course, Boeing Co.'s BA, -6.15% latest 737 Max 8 tragedy is the apparent cause for the current disparity in indexes, which tend to move in lockstep more than they have this week.

Declines in the airline maker's shares come as regulators across the globe have taken the unusual step of grounding the 737 Max jets on the heels of Sunday's Ethiopian Airlines crash, even after the U.S. Federal Aviation Administration declared the planes airworthy.

The crash in Ethiopia came after a 737 Max 8 in Indonesia, operated by Lion Air, fatally went down in the Java Sea back in October, and that has rattled the investment community and rippled through the Dow industrials and airline stocks.

As opposed to the other main U.S. indexes, the Dow is a price-weighted benchmark rather than market-capitalization weighted, which means that constituents of the Dow with a greater share price have a greater ability to knock around the closely followed index.

Even after suffering a punishing period of losses, Boeing's \$375.41-a-share price remains the highest of Dow components, with each \$1 move in any one of the index's components equating to a roughly 6.8-point price swing.

The NYSE Arca Airline Index XAL, -0.89% fell 0.9% on Tuesday. On Monday, the index had gained 1.2% to snap a nine-session losing streak. To be sure, the divergence that has emerged between the Dow and its peers is likely to resolve itself, but lingering questions about how regulators, politicians, airlines and customers react to the tragedies and grounding of much of the 737 Max 8 fleet may complicate matters.

