

Airline shares hit by blizzard as flights canceled

NEW YORK, US: Airline shares tumbled on Monday ahead of an expected blizzard in the US Northeast that caused the cancellation of thousands of flights, while US stocks overall finished little changed.



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American Airlines and United Continental each lost about 3.5% as the Northeast braced for what was projected to be the worst snowstorm of the season, with the potential to dump two feet of snow in some areas, including New York and Boston.

The Dow Jones Industrial Average dipped 0.1% to end the trading day at 20,881.48.

The broad-based S&P 500 added less than 0.1% to close at 2,373.48, while the tech-rich Nasdaq Composite Index gained 0.2% to 5,875.78.

Expected whiteout

The expected whiteout competed for attention with the Federal Reserve, which is likely to raise the benchmark interest rate at the conclusion of the two-day policy meeting Wednesday following a run of mostly strong economic data.

"The market is expecting a rate increase," said David Levy, portfolio manager at Republic Wealth Advisors. "But more importantly, the market is trying to understand from the Fed what the rest of the year in future rate hikes may potentially

look like."

Dow member Intel dropped 2.1% after announcing an agreement to buy Israeli car technology firm Mobileye a deal worth more than US\$15-billion.

Yahoo rose 1.3% as it announced that board member Thomas McLnerney will lead the business that remains after the internet company sells its core assets to Verizon.

Pandora Media climbed 2.1% as it launched a premium on-demand service, hoping to strengthen growth in a streaming market dominated by Spotify.

Source: AFP

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