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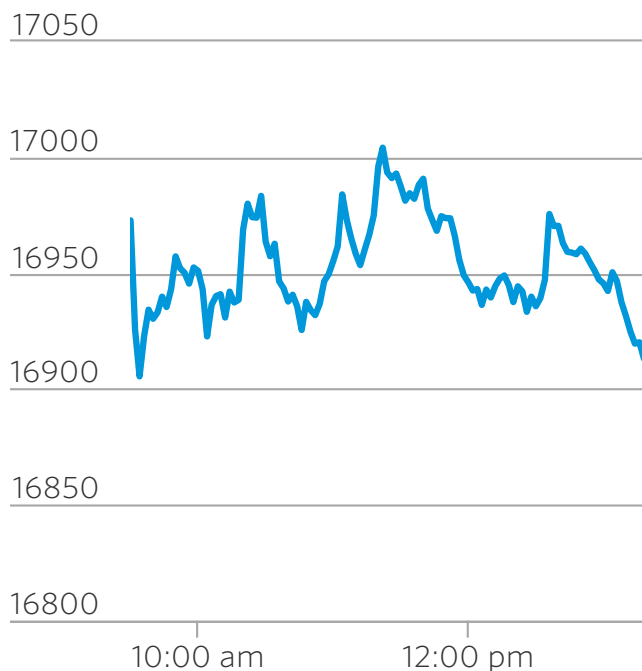
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MARKETS | TODAY'S MARKETS

U.S. Stocks Steady After China Turmoil

Shaky start to 2016 points to volatile year for financial markets

Dow Jones Industrials



Source: WSJ Market Data Group

By **RIVA GOLD** and **LESLIE JOSEPHS**

Updated Jan. 5, 2016 4:12 p.m. ET

U.S. stocks steadied Tuesday, but the tepid recovery reflected investors' caution after a sharp selloff that kicked off the year.

The Dow Jones Industrial Average inched up 10 points, or less than 0.1%, to 17159. The S&P 500 gained 0.2%, but the Nasdaq Composite dropped 0.2%.

Fears about a slowdown in China appeared to recede Tuesday, but muted gains

highlighted investors' low expectations for 2016 after U.S. stock indexes finished their worst year since 2008.



The Shanghai Composite fell 0.3% on Tuesday after Chinese officials outlined plans to stabilize markets. PHOTO: AGENCE FRANCE-PRESSE/GETTY IMAGES

“There’s been so much pessimism coming into this year,” said Randy Warren, chief investment officer at Warren Financial. “We have a chance now for the market to make some ground up.”

Shares of gun makers rose as U.S. President Barack Obama announced tighter gun-control measures, which could encourage consumers to buy before the measures take effect, analysts said. Smith & Wesson Holding rose 11% after raising its revenue and profit guidance late Monday. Rival Sturm, Ruger & Co. added 6.8%.

Wal-Mart Stores, the Dow’s biggest laggard in 2015, rose the most in the index Tuesday, adding 2.4%.

Twitter shares fell 2.8%. A person familiar with the matter said the social media company was planning to increase its 140-character limit on tweets to as many as 10,000.

The Stoxx Europe 600 recovered from earlier losses to rise 0.6%. The Shanghai Composite Index fell 0.3% after Chinese officials outlined a raft of measures to stabilize markets. Monday’s 7% drop in mainland Chinese shares, sparked by weak manufacturing data, had triggered circuit breakers that shut down the market and sent ripples through bourses world-wide.

The Dow Jones Industrial Average had its greatest opening-day loss since 2008 Monday.



Wal-Mart customers in Rogers, Ark. Shares of the shopping giant led the Dow higher Tuesday. *PHOTO: GUNNAR RATHBUN/ASSOCIATED PRESS*

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The
shaky
start
to
2016

points to what analysts and investors say will be a volatile year in global markets.

“Clearly the fear over China hasn’t abated,” said Ben Kumar, investment manager at Seven Investment Management, which has more than \$9 billion in assets under management and administration.

Chinese authorities acted on several fronts to calm investors Tuesday. The stock-market regulator said it would release guidelines about large-scale selling of shares ahead of a ban on selling by large stakeholders that is expected to expire on Friday.

Meanwhile, China’s central bank injected 130 billion yuan (\$19.9 billion) in short-term funds into the country’s financial system, according to a statement from the People’s Bank of China. It also intervened in the foreign exchange market to support a weakening

currency, according to two people familiar with the matter.

Elsewhere in Asia, Japan's Nikkei Stock Average fell 0.4%, while Hong Kong's Hang Seng Index dropped 0.65%.

Gold rose 0.3% to \$1,078.40 a troy ounce after rising sharply on Monday as investors sought safe havens. The yield on the 10-year Treasury note rose slightly to 2.248%, compared with 2.245% on Monday. Yields fall as prices rise.

In currencies, the euro was down 0.7% against the dollar at \$1.0750 after eurozone inflation data for December came in unchanged, below expectations for a modest pickup.

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