



US STOCKS-Indexes slip; traders turn cautious before weekend

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NEW YORK, May 24 (Reuters) - U.S. stocks declined on Thursday as investors seized an early rally on housing data as a chance to protect their gains in advance of a long U.S. holiday weekend.

Semiconductor shares fell sharply after Dell Inc. (DELL.O: [Quote](#), [Profile](#), [Research](#)) unveiled a plan to sell computers through Wal-Mart Stores Inc. (WMT.N: [Quote](#), [Profile](#), [Research](#)), raising concern that profit margins of chip producers may be squeezed. The world's No. 1 retailer has a reputation for pressuring its suppliers to cut prices.

Stocks have been on a steady uptrend for the past two months, and several technical indicators have suggested the market is set for a pullback. Traders wary about rising gasoline prices and equity speculation in China may be anxious about leaving positions open over the three-day Memorial Day weekend, analysts said.

"A correction is more than overdue. A lot of smart investors are taking some profits," said Alan B. Lancz, president of Alan B. Lancz & Associates in Toledo, Ohio.

The Dow Jones industrial average .DJI was down 10.08 points, or 0.07 percent, at 13,515.57. The Standard & Poor's 500 Index .SPX was down 5.97 points, or 0.39 percent, at 1,516.31. The Nasdaq Composite Index .IXIC was down 21.15 points, or 0.82 percent, at 2,555.90.

The Philadelphia Stock Exchange Semiconductor index was down 1 percent. Shares of Intel Corp. (INTC.O: [Quote](#), [Profile](#), [Research](#)) the world's largest chip maker, dropped 1.8 percent to \$22.26. Intel, which trades on the Nasdaq but is also a component of both the Dow average and the S&P 500, was among the biggest weights on all three stock indexes.

Data storage company Network Appliance Inc. (NTAP.O: [Quote](#), [Profile](#), [Research](#)) unexpectedly forecast a downturn in revenue, blaming a slowdown in U.S. technology spending. [ID:nN23347404]

Network Appliance stock slid 14.3 percent to \$32.61 and was the heaviest drag on the Nasdaq 100 .

Home builders' shares and other stocks dependent on the housing market, such as home improvement chain Lowe's Cos. Inc. (LOW.N: [Quote](#), [Profile](#),

[Research](#)) and Trex Co. Inc. (TWP.N: [Quote](#), [Profile](#), [Research](#)), a decking materials maker held onto their gains. Lowe's stock was up 1.2 percent at \$32.18 and Trex shares were up 2.8 percent at \$21.69.

Shares of builder Pulte Homes Inc. (PHM.N: [Quote](#), [Profile](#), [Research](#)) gained 2.5 percent to \$27.86 on the NYSE. The Dow Jones U.S. home construction index .DJUSHB was up 1.1 percent.

Sales of new U.S. homes in April posted the sharpest climb in 14 years, far exceeding expectations, while prices fell a record 11 percent, according to a government report that showed home builders taking extraordinary steps to sell houses.