

Central Mass. firms dragged down by the market's fall

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As stock markets fell yesterday, so did the stocks of Central Massachusetts companies.

Twelve stocks fell for every one that rose among Central Massachusetts publicly traded businesses. Some shares, such as those in Hanover Insurance Group Inc. of Worcester, skidded to their 52-week lows.

“When the tide goes out, I think all ships get affected,” said Gary H. Sherr, vice president of Carl P. Sherr and Co. LLC, Worcester investment advisers and financial planners.

Broad stock markets declined yesterday on the first trading day after ratings agency Standard & Poor's downgraded the United States' credit rating from AAA to AA+. The Dow Jones Industrial Average plunged 634 points, or 5.5 percent, to fall below 11,000 for the first time since November.

The broader Standard & Poor's 500 Index dropped 79 points, or 6.7 percent, while the technology-heavy Nasdaq composite index dropped 175 points, or 6.9 percent, according to the Associated Press. AP reported that 9.7 billion shares changed hands yesterday in heavy trading on the New York Stock Exchange.

Among Central Massachusetts stocks, only two ended the day in positive territory, and in both cases the stocks advanced by just pennies.

Bitstream Inc. of Marlboro, a developer of software used for browsing and data publishing, closed up 5 cents at \$5.04 a share in Nasdaq trading. Shares in World Energy Solutions Inc. of Worcester, which runs online energy auctions, went up 2 cents to \$3.75 a share.

For all others, it was a downward slide.

Hanover Insurance dropped \$3.01 to \$31.22 in trading on the New York Stock Exchange. It represented a decline of nearly 9 percent as Hanover posted a second-quarter loss of \$31.8 million, driven by \$103.4 million in catastrophe losses after taxes. The insurer had previously reported catastrophe losses, notably because of damage caused by tornadoes.

Laser maker IPG Photonics Corp. of Oxford plunged \$5.62, or about 9 percent, to \$54.41. Office supplies retailer Staples Inc. of Framingham dropped \$1.20, or about 8 percent, to \$13.14. American Superconductor Corp. of Devens, already beaten down by news it would restate financial results after its biggest customer would not accept merchandise it ordered, fell 41 cents to \$5.75, a drop of nearly 7 percent.

Many companies are loathe to talk about stock performance, and several contacted yesterday by the Telegram & Gazette did not return messages yesterday.

Mark J. Ahn, president and chief executive of RXi Pharmaceuticals Corp. of Worcester, said RXi officials believe they have added value to the company in recent months. The drug developer is moving forward with plans for large-scale testing of a therapeutic cancer vaccine. RXi shares fell 8 cents, or about 7 percent, to \$1.01 yesterday.

“Obviously when there's such a broad impact on an asset class, like the sovereign value of the United States, it affects everybody, whether you like it or not,” he said. “We're focused on what we can control.”

If there was any bright spot in yesterday's markets, it might have been that oil prices tanked along with most everything else, according to Mr. Sherr. Benchmark West Texas Intermediate crude oil fell \$5.57 yesterday to \$81.31 per barrel on the New York Mercantile Exchange, the AP reported.

“Gas prices are going down fast,” Mr. Sherr said. “That's a benefit for everyone who fills up their tank.”