

BUSINESS

WEDNESDAY'S CLOSSES

▼ **Dow** 12,971.06
down 37.62, -0.29%

▼ **Nasdaq** 2,920.21
down 19.31, -0.66%

▼ **Seattle Times NW** 2,133.49
down 23.90, -1.11%

▲ **10-year Treasury**
1.53% yield, +0.06

Currencies C\$1.0042 = \$1
78.47 yen = \$1 1 euro = \$1.2233

Bizline

A quick look at today's news. For updates: seattletimes.com



THE ASSOCIATED PRESS

U.S. manufacturing unexpectedly contracted in July for a second month, the Institute for Supply Management reported.

Costco's July tally: Strong sales at stores in the U.S. helped Costco post a 5 percent increase in July same-store sales — sales at stores open at least a year, a key revenue metric. But the stronger dollar and lower gas prices pressured its results. When those factors were excluded, same-store sales rose 7 percent for the month.

Zumiez disappoints: Teen clothing chain Zumiez said same-store sales rose 7.5 percent in July, falling short of Wall Street's estimate of 8.5 percent. It was a rare miss for a retailer that consistently has beaten expectations for the past two years. The news pushed Zumiez stock down \$4.04, or 11.4 percent, to \$31.89 in after-hours trading Wednesday. Zumiez, which recently moved its headquarters to Lynnwood from Everett, said its total monthly sales increased 21.5 percent year over year, to \$47 million.

Nexus Q delay: Google says it is delaying the Nexus Q, a home-entertainment device that was supposed to come out in July. To make up for the delay, Google is sending the gadget free to everyone who pre-ordered it. Google is not saying when the Nexus Q, which will sell for \$299 in the U.S., will be available.

Jobs survey: A private survey shows U.S. businesses kept hiring at a modest pace in July, suggesting the job market could be improving after three sluggish months. Payroll provider ADP said businesses added 163,000 jobs last month. That's slightly below a revised total of 172,000 jobs it reported for June. The report covers hiring only in the private sector and excludes government job growth. The Labor Department will offer a more complete picture of July hiring Friday.

Construction spurt: Another strong gain in home building pushed U.S. construction spending up for a third straight month in June. The construction industry has been flashing signs of improvement while other sectors of the economy have slowed. Construction spending rose 0.4 percent in June following an upwardly revised 1.6 percent gain in May that was the biggest one-month increase since December, the Commerce Department reported.

Compiled from Seattle Times business staff and The Associated Press.

WEB EXTRA

App expansion

Amazon has launched its Instant Video App for the iPad, Seattle Times

technology reporter Janet Tu blogs. seattletimes.com/pri0

Americans rekindle passion for Japanese cars, snub Detroit

TOYOTA, HONDA BACK TO STRENGTH BEFORE EARTHQUAKE

GM, Ford take hit

BY DEE-ANN DURBIN AND TOM KRISHER
The Associated Press

DETROIT — Just when Detroit seemed to be luring them away, Americans are embracing Japanese cars again.

Toyota and Honda lost ground last year after the Japanese earthquake limited their supplies. But July's U.S. sales show they've nearly regained what they lost, at the expense of General Motors and Ford.

GM sales fell 6 percent and Ford sales slid 4 percent compared with last July. Honda's sales climbed 45 percent and Toyota jumped 26 percent.

Overall car and truck sales rose 9 percent to 1.15 million, according to Autodata.

"Toyota and Honda have regained all of the share they lost, and much faster than we thought they would," said Jesse Toprak, vice president of market intelligence for the car-buying site TrueCar.com. "Their customers appear to be a lot more loyal than we gave them credit for."

Toprak and others thought that newer, better products at GM and Ford, like the Chevrolet Cruze and Ford Focus, might permanently pull customers away from the Japanese after the 2011 quake disrupted their supplies. But those gains haven't lasted. The Cruze, the best-selling subcompact

See > **CARS, A9**



BETTINA HANSEN / THE SEATTLE TIMES

Nate Castine of the Seattle Sockeye Ultimate Frisbee Club grabs the disk as Duncan Linn falls to the ground during practice in Green Lake Park last weekend. Vehro Titcomb, far left, and Xtehn Titcomb, second from left, are members of the family that makes clothing for the sport.



STEVE RINGMAN / THE SEATTLE TIMES

Two of the founders, Vehro Titcomb, 26, left, and sister Rohre Titcomb, 24, wearing their products.

Family company makes clothing for Ultimate players

ENTREPRENEURS | Five siblings founded and co-own Five Ultimate, which makes ultimate Frisbee apparel.

BY CONNOR RADNOVICH
Seattle Times business reporter

Not even the washing instructions for Five Ultimate clothes are traditional.

Outfitting its clothes with tags that warn wearers "Do not set on fire," "Do not eat," "Do not pass go," and "Do not bungee jump in," the Seattle-based apparel company is an unconventional business that players say fits perfectly with an equally unorthodox sport — Ultimate, originally called ultimate Frisbee.

"It's small things like that, where you can tie in the team feeling of 'Hey, we're this weird, quirky sport, we love each other, and here's this company that understands us,'" says Vehro Titcomb, one of the five siblings who founded and co-own Five Ultimate.

The sport with the plastic flying disk has been considered a fringe pastime since it emerged nationally in the early 1970s,

never viewed as a big-time sport such as basketball or football.

And while Five Ultimate and its founders might not be able to change that, at least they can affect the appearance of the players.

One of Five's goals is to create a recognizable brand that will distinguish Ultimate players the way, for example, Air Jordan products distinguish basketball players.

"That is what Ultimate players need more of these days to get more recognition in the face of other 'more serious' sports," said the oldest sibling, Zahlen Titcomb.

The company is essentially an extension of the Titcombs themselves — with a lifetime of playing Ultimate and their passion for the sport the driving force behind Five's success.

The Titcomb siblings — three brothers: See > **ULTIMATE, A10**

Wild trading swings latest blow to markets

BY NATHANIEL POPPER
The New York Times

An automated stock-trading program suddenly flooded the market with millions of trades Wednesday morning, spreading turmoil across Wall Street and drawing renewed attention to the fragility and instability of the nation's stock markets.

While the broad stock indexes quickly recovered and ended the day slightly down, it was the latest black eye for the financial markets.

The runaway trading suggests regulators have not been able to keep up with electronic programs that increasingly dominate and have helped undermine investor confidence in stocks.

Traders Wednesday said a rogue algorithm repeatedly bought and sold millions of shares of companies like RadioShack, Best Buy, Bank of America and American Airlines, sending trading volume surging.

See > **MARKETS, A9**

Fed notices slowdown but doesn't act yet

BY MARTIN CRUTSINGER
The Associated Press

WASHINGTON — The Federal Reserve said Wednesday the U.S. economy is losing strength and repeated its pledge to try to boost growth if hiring remains weak.

The central bank's policymaking committee took no new action after a two-day meeting but in a statement appeared to signal a growing inclination to take more steps to lift the economy out of its funk.

The Fed noted that

growth had slowed over the first half of the year, with job creation slackening and consumer spending tapering off.

It reiterated its plan to hold its benchmark short-term interest rate at a record low near zero until at least late 2014.

Market was muted. The Dow Jones industrial average fell 33 points to

See > **FED, A10**

OPENING WINDOW ON WINDOWS 8 FEEDBACK

Brier Dudley
Seattle Times technology columnist

People are thinking seriously about how they'll incorporate Windows 8 into their homes.



That's based on feedback to Monday's column reviewing a new Sony touch-screen computer loaded with Microsoft's new flagship operating system.

The discussion is just beginning, really, now that Microsoft began handing the software over to computer makers Wednesday to start building Windows 8 systems, which will go on sale Oct. 26.

Soon Windows 8 will be running hundreds of millions of computers, greeting people at home and work

with its new look and winking Metro-style icons.

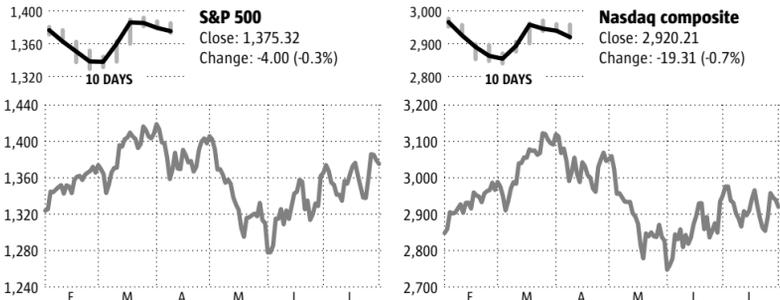
Enthusiasts will get there first. Microsoft is giving the final version to developers and tech administrators starting Aug. 15. Big companies with Microsoft software subscriptions will get the enterprise version Aug. 16.

That means your geeky neighbors, especially in the Puget Sound region, will be loading their PCs with the final version of Windows 8 and running it at home within a few weeks. If you can't wait until October to see what it's like, I'm sure they'd be happy to show off their updated systems.

See > **DUDLEY, A9**

WEB EXTRA
Follow technology news in Brier Dudley's blog seattletimes.com/brierdudleysblog

Money & Markets



Major indexes

Index	LAST	% CHG
Dow Jones		
30 industrial	12,971.06	-.29
20 transp.	4,986.71	-2.00
15 utilities	489.25	-.68
Standard & Poor's		
500 Stocks	1,375.32	-.29
400 Mid-cap	931.78	-.93
600 Small-cap	433.53	-1.85
NYSE		
US 100	6,022.15	-.23
Energy	12,263.33	+5.9
Financial	4,424.79	-.40
Healthcare	7,583.58	+0.4
Nasdaq		
Industrials	2,382.05	-.89
Financial	3,835.66	-.85
Nasdaq Global Sel	1,362.47	-.62
Nasdaq Global Mkt	947.07	-2.46

Index	LAST	% CHG
Other indexes		
AMEX composite	2,386.66	+3.8
Wahlshire 5000	14,298.94	-.50
Russell 1000	756.00	-.34
Russell 2000	771.11	-2.01
Davidson 99	166.52	-1.43

Index	LAST	% CHG
Foreign markets		
Frankfurt	6,754.46	+.26
London	5,712.82	+1.38
Hong Kong	19,820.38	+1.12
Mexico	40,801.14	+2.4
Tokyo	8,641.85	-.61
Seoul	1,879.93	-.11
Singapore	3,051.08	+4.8
Taipei	7,267.96	-.03
Toronto	11,618.53	-.40

NYSE

Volume	4,275,456,395
Advanced	1,408,617,268
Declined	2,780,865,991
Unchanged	85,973,136

Gainers	LAST	CHG	% CHG
ResoluteF	10.67	+1.49	+16.2
BarcShtC	26.73	+3.26	+13.9
RTI IntlM	25.31	+2.86	+12.7
Rogers	40.00	+4.15	+11.6
iPBetaSfts	37.19	+3.52	+10.5
Bankrate	17.57	+1.62	+10.2
SaffDJS14	16.46	+1.44	+9.6
IP SER2K	32.53	+2.73	+9.2
IP SESPP	20.39	+1.70	+9.1
ProURMCV	37.00	+2.60	+7.6

Losers	LAST	CHG	% CHG
KnghtCap	6.94	-3.39	-32.8
MSEng12	18.20	-4.29	-19.1
Con-Way	29.55	-6.07	-17.0
TNS Inc	14.60	-2.33	-13.8
Polyvore	32.24	-4.92	-13.2
KratonPP	20.37	-3.05	-13.0
Energizer	68.40	-9.37	-12.0
JMP Grp	5.65	-.58	-9.3
Cryofile	5.10	-.46	-8.3
ITT Ed	35.62	-3.20	-8.2

Most active	VOLUME (IN 005)	LAST	% CHG
S&P500ETF1200718	137.59	-1.1	
BkofAm	943324	7.22	-1.6
SPDR FncI	785978	14.59	-.5
FordM	655394	9.04	-1.6
KnghtCap	627245	6.94	-32.8
iShR2K	527292	77.06	-1.6
iShEMkts	455786	39.19	+2
Pfizer	421741	23.94	+5
Bar iPvix	416766	13.34	-2.2
InprNtwk	412760	17.71	+1.0

Nasdaq	VOLUME (IN 005)	LAST	% CHG
Advanced	557,723,317		
Declined	1,106,477,468		
Unchanged	24,215,066		

Gainers	LAST	CHG	% CHG
Cadiz h	9.94	+2.84	+40.0
InterDig	31.18	+3.88	+14.2
Manntchr s	6.87	+8.2	+13.6
Sinclair	11.51	+1.31	+12.8
WVS Fn	8.70	+7.0	+8.8
EmclairF	21.74	+1.74	+8.7
GuidSoft h	10.71	+8.5	+8.6
ReachLoc	12.51	+7.9	+6.7
Concepts	19.80	+1.22	+6.6
KY FstFd	8.00	+4.9	+6.5

Losers	LAST	CHG	% CHG
SvcSource	7.98	-3.30	-29.3
FaroTech	32.66	-10.37	-24.1
RPX Corp	9.67	-2.88	-22.9
DigRiver	14.22	-3.57	-20.1
TrueRelig	21.11	-5.13	-19.6
ChefsWhs	13.11	-3.04	-18.8
ArkBest	11.14	-2.55	-18.6
IdenixPh	8.32	-1.81	-17.9
Sourcefire	42.42	-8.64	-16.9
TTM Tch	9.16	-1.78	-16.3

Most active	VOLUME (IN 005)	LAST	% CHG
Cisco	470684	15.98	+2
Facebook n	432599	20.88	-3.8
Microsoft	313885	29.41	-2
Intel	277222	25.93	+9
PwShs QQQ	257385	64.61	-.3
MicronT	232865	6.27	+1.0
RschMotn	225627	7.12	-.5
Comcast	220280	33.55	+3.1
ArenaPhm	193572	7.46	-10.8
NewsCpA	182785	23.01	...

Northwest stocks

Gainers	LAST	CHG	% CHG
CascadeM	4.80	+1.6	+3.4
TmbrlndBc	5.35	+1.7	+3.3
CUI Gbl rs	6.82	+1.7	+2.6
LithiaMot	28.49	+6.3	+2.3
KeyTech	9.21	+2.0	+2.2
ClearSign n	7.25	+1.2	+1.7
EricsonAC n	6.49	+0.9	+1.4
FS Bncp n	10.20	+1.4	+1.4
Sarepta rs	9.18	+1.1	+1.2

Losers	LAST	CHG	% CHG
CascadeBcp	4.65	-.53	-10.2
Cray Inc	11.37	-1.06	-8.5
RevettMin	2.91	-.26	-8.2
Dndreon	4.38	-.38	-8.0
Digimarc	22.49	-1.80	-7.4
RedLionH	6.93	-.55	-7.4
HomeStr s	34.00	-2.66	-7.3
BlueNile	24.15	-1.53	-6.0
MarchxB	3.28	-.19	-5.5

Most active	VOLUME (IN 005)	LAST	% CHG
Microsoft	313885	29.41	-.2
MicronT	232865	6.27	+1.0
Starbucks	152358	43.78	-3.3
Dndreon	94458	4.38	-8.0
Nordstrm	76868	53.08	-2.0
LithiaMot	70971	28.49	+2.3
Boeing	46641	72.77	-1.5
HeclaM	43363	4.40	-2.2
TriQuint	36497	5.60	-.7

Northwest Stocks

Prices for most active publicly held companies in Washington, Oregon and Idaho on the New York, American and Nasdaq stock markets.

COMPANY	TICKER	LOW	52-WEEK RANGE	HIGH	LAST	NET CHG	% CHG
AlaskaAir s	ALK	25.55	17.62-39.77	33.97	33.97	-.88	-2.5
American AMZN	AMZN	166.97	116.00-246.71	232.09	232.09	-1.21	-0.5
AmbassGp	EPAX	3.88	3.40-4.20	4.20	4.20
Avista	AVA	21.13	19.00-27.96	27.28	27.28	-.40	-1.4
Banner Cp	BANR	11.67	10.00-12.27	12.27	12.27	-.01	-.1
BarrettB	BBSI	12.25	10.00-26.70	25.71	25.71	-.41	-1.6
Blount	BLT	12.46	10.00-17.62	13.78	13.78	-.44	-3.1
Blucora	BCOR	7.97	6.00-16.77	15.36	15.36	+1.11	+0.7
BlueNile	NILE	22.94	18.00-50.00	24.15	24.15	-1.53	-6.0
Boeing	BA	56.01	45.00-77.83	72.77	72.77	-1.14	-1.5
Boise Inc	BZ	4.36	3.00-8.59	7.04	7.04	-.36	-4.9
CascadeBcp	CACB	3.50	2.50-10.50	4.65	4.65	-.53	-10.2
CascadeCp	CASC	31.30	25.00-59.95	46.29	46.29	-.82	-1.7
CascadeM	CSCD	2.62	2.00-5.42	4.80	4.80	+1.16	+3.4
CellThera h	CTIC	0.50	0.40-1.65	.49	.49	-.02	-4.5
ClearSign n	CLIR	4.00	3.00-9.75	7.25	7.25	+1.12	+1.7
ClearWp s	CLW	29.84	20.00-40.19	33.65	33.65	-1.59	-4.5
Clearwire	CLWR	0.83	0.50-3.50	1.18	1.18	+0.04	+3.5
Coeur	CDE	15.15	10.00-30.99	15.84	15.84	-.47	-2.9
Coinstar	CSTR	37.43	25.00-71.82	46.84	46.84	-.65	-1.4
ColdwCrk h	CWTR	0.45	0.30-1.83	.67	.67	+0.03	+4.7
ColBng	COLB	13.46	10.00-23.52	17.76	17.76	-.29	-1.6
ColSprtw	COLM	41.13	30.00-59.99	49.83	49.83	-.76	-1.5
ConcurTch	CNQR	34.30	25.00-69.89	67.28	67.28	-.26	-0.4
Costco	COST	70.22	55.00-97.76	95.94	95.94	-.24	-0.2
CraftBrew	BREW	5.08	4.00-8.92	8.40	8.40	-.14	-1.6
Cray Inc	CRAY	4.96	3.00-12.93	11.37	11.37	-1.06	-8.5
Dndreon	DNDN	4.70	3.00-37.72	4.38	4.38	-.38	-8.0
Digimarc	DMRC	21.00	15.00-41.74	22.49	22.49	-1.80	-7.4
ElectSci	ESIO	10.37	7.00-19.43	11.86	11.86	-.54	-4.4
eMagin	EMAN	2.28	1.00-4.94	2.86	2.86	-.04	-1.4
Emeritus	ESC	13.36	10.00-19.90	16.03	16.03	-.92	-5.4
Esterline	ESL	47.48	35.00-78.04	57.21	57.21	-1.51	-2.6
Expedia s	EXPE	22.43	15.00-58.40	56.40	56.40	-.59	-1.0
ExpdlntI	EXPD	35.49	25.00-48.14	35.24	35.24	-.33	-0.9
FS Netwks	FFIV	69.01	50.00-139.46	93.91	93.91	+5.3	+6.0
FEI Co	FEIC	26.61	15.00-52.01	45.83	45.83	-1.88	-3.9
FLIR Sys	FLIR	17.99	12.00-28.34	20.70	20.70	+2.5	+1.2
FS Bncp n	FSBW	9.90	7.00-10.31	10.20	10.20	+1.4	+1.4
FstFnWst	FFNW	4.06	3.00-8.35	7.98	7.98	-.22	-2.7
FisherCom	FSCI	21.90	15.00-34.15	31.27	31.27	-.69	-2.2
FlowInt	FLOW	1.90	1.00-4.49	3.24	3.24	+0.03	+0.9
GoldRsv g	GRZ	1.89	1.00-4.66	3.26	3.26	-.08	-2.4
GreenCos	GBX	10.38	7.00-26.66	15.75	15.75	-.55	-3.4
HeclaM	HL	3.70	2.00-8.38	4.40	4.40	-1.0	-2.2
HrtgFm	HFWA	10.21	7.00-15.57	13.52	13.52	-.33	-2.4
HomeStr s	HMST	22.66	15.00-39.50	34.00	34.00	-2.66	-7.3
Idacorp	IDA	33.88	25.00-43.64	41.41	41.41	-.79	-1.9
Intellch	IDN	0.81	0.50-1.96	1.60	1.60	+1.10	+6.7
Intermec	IN	4.97	3.00-11.00	5.79	5.79	-.23	-3.8
IsoRay	ISR	0.38	0.20-1.60	.99	.99	-.05	-4.8
Itron	ITRI	26.90	15.00-50.35	38.28	38.28	-.69	-1.8
JonesSda h	JSDA	0.26	0.10-1.07	.29	.29	+0.02	+7.4
KeyTrn	KTCC	3.21	2.00-13.16	7.29	7.29	-1.3	-1.8
L&L Eng	LLEN	1.30	0.50-5.27	1.88	1.88	+0.02	+1.1
LataCrose	BOOT	10.33	7.00-20.02	19.96	19.96	+0.01	