



---

# Investors Sell Off Software Stocks Amid Earnings Concerns

## Description

Investors are moving away from software stocks due to concerns about disruption from artificial intelligence (AI). This trend is significant as it could affect the earnings reports of various companies releasing results this week, including Workday, Salesforce, Intuit, Autodesk, and Snowflake. Analysts believe that no matter what these companies say, the prevailing worries around AI will not dissipate soon.

Jack Janasiewicz, a strategist at Natixis Investment Managers Solutions, noted that investor sentiment is negative. He stated, "These companies are guilty until proven innocent." On Monday, software stocks saw further declines after a report from Citirini Research highlighted the potential risks of AI. The iShares Expanded Tech-Software Sector ETF dropped by 4.8%, marking its worst quarter since 2008.

This negative sentiment means many software companies are struggling, with significant losses over the year. For instance, Salesforce is down 30%, and Workday has lost 39%. The general decline in stock performance has led some analysts to suggest that software could be labelled as "the new value sector."

While fears regarding AI's impact are rising, recent earnings reports from 15 software companies in the S&P 500 show that 87% exceeded profit expectations. There remains uncertainty about the long-term effects of AI, making future forecasts challenging. Next week could prove critical as major firms like Salesforce and Workday report their results, potentially influencing market attitudes.

---

## Vocabulary List:

1. **Disruption** /dɪs'rʌp.ʃən/ (noun): Disturbance or problems that interrupt an event activity or process.
2. **Sentiment** /'sentɪmənt/ (noun): An attitude or opinion toward a particular situation or subject.
3. **Dissipate** /'dɪsɪpeɪt/ (verb): To disappear or cause to disappear; to become less intense.
4. **Earnings** /'ɜːnɪŋz/ (noun): Money obtained in return for labor or services.
5. **Expectations** /,ɛkspɛk'teɪʃənz/ (noun): Beliefs or assumptions about what should happen in the future.
6. **Performance** /pə'r'fɔːməns/ (noun): The action or process of carrying out or accomplishing a task.

## Comprehension Questions

### Multiple Choice



- 
1. Why are investors moving away from software stocks?
    - Option: Concerns about inflation
    - Option: Disruption from artificial intelligence (AI)
    - Option: Rising interest rates
    - Option: Increased competition
  2. What percentage did the iShares Expanded Tech-Software Sector ETF drop by?
    - Option: 2.3%
    - Option: 4.8%
    - Option: 5.1%
    - Option: 7.0%
  3. Which company is reported to have lost 39% this year?
    - Option: Salesforce
    - Option: Workday
    - Option: Autodesk
    - Option: Intuit
  4. How many software companies in the S&P 500 exceeded profit expectations?
    - Option: 75%
    - Option: 80%
    - Option: 87%
    - Option: 90%
  5. What did some analysts suggest software could be labelled as?
    - Option: The old sector
    - Option: The risky sector
    - Option: The new growth sector
    - Option: The new value sector
  6. Which company is NOT mentioned as releasing results this week?
    - Option: Snowflake
    - Option: Cisco
    - Option: Workday
    - Option: Salesforce

**True-False**



7. The sentiment among investors regarding software stocks is positive.
8. 87% of the earnings reports from the software companies exceeded profit expectations.
9. Jack Janasiewicz is a strategist at Natixis Investment Managers Solutions.
10. Salesforce is reported to be down 39% over the year.
11. The iShares Expanded Tech-Software Sector ETF had its worst quarter since 2008.
12. Concerns about AI will dissipate immediately after the earnings reports are released.

### Gap-Fill

13. Analysts believe that the worries around AI will not dissipate \_\_\_\_\_ soon.
14. Salesforce is down \_\_\_\_\_ this year.
15. The iShares Expanded Tech-Software Sector ETF dropped by \_\_\_\_\_ %.
16. Many software companies are struggling with significant \_\_\_\_\_ over the year.
17. Next week could prove critical as firms like Salesforce and \_\_\_\_\_ report their results.
18. This negative sentiment has led some analysts to suggest that software could be the new \_\_\_\_\_ sector.

### Answer

**Multiple Choice:** 1. Disruption from artificial intelligence (AI) 2. 4.8% 3. Workday 4. 87% 5. The new value sector 6. Cisco

**True-False:** 7. False 8. True 9. True 10. False 11. True 12. False

**Gap-Fill:** 13. any 14. 30% 15. 4.8 16. losses 17. Workday 18. value

### Vocabulary quizzes



---

**Multiple Choice ( Select the Correct answer for each question. )**

1. What is the name of Wendy's burger that features two beef patties and five pieces of bacon?  
Option: Double Whopper  
Option: Baconator  
Option: Big Mac  
Option: Quarter Pounder
2. What popular side dish is commonly served with burgers?  
Option: Onion Rings  
Option: Potato Wedges  
Option: Fries  
Option: Salad
3. What title is given to the highest-ranking executive in a company?  
Option: Chairman  
Option: Manager  
Option: CEO  
Option: Director
4. What frozen dessert is famously associated with Wendy's?  
Option: Sundae  
Option: Ice Cream Cone  
Option: Frosty  
Option: Milkshake
5. What term describes an engine that has enhanced performance due to a turbine?  
Option: Electric  
Option: Natural  
Option: Turbocharged  
Option: Hybrid
6. What term describes how well a vehicle or engine operates?  
Option: Efficiency  
Option: Performance  
Option: Speed  
Option: Power
7. What is the process called that starts the combustion in an engine?  
Option: Combustion  
Option: Injection  
Option: Ignition



---

Option: Exhaust

8. What is offered to an employee after they are laid off from their job?

Option: Promotion

Option: Severance

Option: Commission

Option: Bonus

9. What term is used to describe significant changes that disturb established processes?

Option: Transition

Option: Change

Option: Disruption

Option: Innovation

10. What term refers to the money a company generates from its business activities?

Option: Expenses

Option: Investments

Option: Earnings

Option: Assets

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. In business \_\_\_\_\_ refers to the rivalry between companies selling similar products or services.

12. The team showed great \_\_\_\_\_ during the project presentation.

13. Employees often negotiate their salary and \_\_\_\_\_ packages during job offers.

14. Interns may receive a \_\_\_\_\_ to help with their expenses while gaining experience.

15. The stock market can be \_\_\_\_\_ affecting investor confidence and spending.

16. Employees can benefit from stock options that \_\_\_\_\_ over a period of time.

17. Market \_\_\_\_\_ can influence consumer behavior and investment decisions.

18. His comments did not \_\_\_\_\_ with the current company policies leading to confusion.

19. Make sure to take a proper \_\_\_\_\_ of your burger to enjoy all the flavors.



20. The company managed to exceed its financial \_\_\_\_\_ for the quarter.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. The introduction of smartphones caused a significant disruption in traditional communication methods.
22. The engine is often referred to as the heart of a vehicle providing the power needed to operate.
23. Combustion is the chemical process that produces energy from fuel in an engine.
24. Performance metrics are crucial for evaluating the efficiency and effectiveness of a project.
25. A turbocharged engine uses a turbine to increase the efficiency of air intake for improved power.
26. Compensation packages vary widely among different industries and positions.
27. A layoff occurs when a company dismisses employees as a cost-cutting measure.
28. Fries are a popular accompaniment to many fast food meals especially burgers.
29. The CEO of the company announced a new initiative aimed at increasing productivity and innovation.
30. Consumer sentiment can greatly influence market trends and sales forecasts.

**Answer**

**Multiple Choice:** 1. Baconator 2. Fries 3. CEO 4. Frosty 5. Turbocharged 6. Performance 7. Ignition 8. Severance 9. Disruption 10. Earnings

**Gap-Fill:** 11. competition 12. enthusiasm 13. compensation 14. stipend 15. turbulent 16. vest 17. sentiment 18. jibe 19. bite 20. expectations

**Matching sentence:** 1. disruption 2. engine 3. combustion 4. performance 5. turbocharged 6. compensation 7. layoff 8. fries 9. CEO 10. sentiment

**CATEGORY**

- 1. Business - LEVEL4

**POST TAG**

- 1. B2
- 2. earnings
- 3. ESL learning



4. esl news
5. investors
6. Level 4
7. software stocks

**Tags**

1. B2
2. earnings
3. ESL learning
4. esl news
5. investors
6. Level 4
7. software stocks

**Date Created**

2026/02/25

**Author**

aimeeyoung99

ESL-NEWS.COM