

Blue chip earnings push stock indexes higher

By Matthew Craft and David Randall
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NEW YORK — Strong earnings reports from big companies including Apple Inc. and UnitedHealth Group Inc. lifted stocks across the market Thursday.

The Dow Jones industrial average closed at another 2011 high. The 30-company index rose 52.45 points, or 0.4 percent, to 12,505.99.

"There are a lot of concerns out there, but investors are looking at the bottom line right now, and that's earnings," said Yu-Dee Chang, the chief trader at ACE Investment Strategists, a money management firm based in Virginia.

The Standard & Poor's 500 index gained 7.02, or 0.5 percent, to 1,337.38. The S&P 500, a benchmark for most mutual funds, is now less than 6 points away from its highest close of 2011.

The gains were broad. All 10 company groups that make up the S&P index rose, led by a nearly 1 percent gain in technology companies. The Nasdaq composite index rose 17.65 points, or 0.6 percent, to 2,820.16.

Apple Inc. rose nearly 3 percent after reporting sales and income late Wednesday that came in way ahead of analysts' estimates. The company sold 18.7 million iPhones in the latest quarter, millions more than expected. Verizon Wireless started selling the phones in February, ending three and a half years of exclusivity by AT&T Inc.

The Travelers Companies Inc. rose nearly 4 percent, leading the 30 companies in the Dow average, after reporting stronger earnings and a 14 percent dividend increase. The commercial insurer benefited from a drop in losses from catastrophe claims and more companies buying insurance. UnitedHealth jumped 8 percent after the health insurer said profits rose 13 percent as more employees signed up for coverage.

The stronger earnings results were tempered by weaker-than-expected economic reports. The Labor Department said Thursday that the number of people who applied for unemployment benefits fell last week to 403,000. Economists had expected a larger drop. A separate report from the Federal Reserve Bank of Philadelphia found that manufacturing activity in the Philadelphia area fell in April.

Other companies in the Dow fell after investors found worrying signs in their earnings reports.

McDonald's Corp. fell nearly 2 percent, despite beating analyst's earnings estimates, after the company said it expects the cost of most of its ingredients to rise by as much as 5 percent throughout the year.

General Electric Co. dropped 2 percent, also despite beating estimates. The company said revenues at its industrial businesses were not growing as quickly as the company's rivals.

Two stocks rose for every one that fell on the New York Stock Exchange. Consolidated volume came to 3.7 billion shares.

Markets will be closed on Friday for the Good Friday holiday.

Past performance is not necessarily indicative of future results. The risk of loss exists in futures trading.