

Dow's Skid Ends With 0.3% Rise

By Kristina Peterson
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Strong same-store sales reports from big-name retailers boosted the stock market, which recovered from an early stumble to snap a two-day losing streak.

After posting a 53-point loss shortly after the open, the Dow Jones Industrial Average enjoyed a steady comeback, ending with a 29.55-point gain, up 0.3% at 10927.07 a 3.1% gain in American Express. Microsoft was also strong, up 1.9%, along with McDonalds, AT&T, and Home Depot, which each rose 1.1%.

The impact of the Dow crossing 11,000 is more psychological than technical, Paul Vigna argues on the News Hub. But the level may be passed eventually, since round numbers are appealing to investors, Barron's Bob O'Brien says.

The Nasdaq Composite rose 0.2%. The Standard & Poor's 500 index gained 0.3%, led by a 1% gain in its consumer-discretionary sector after the latest round of same-store sales reports from major retailers generally showed better-than-expected growth.

Target climbed 3% and TJX rose 0.5% after reporting strong sales for March. J.C. Penney and Kohl's also reported improved sales, but their shares lagged. J.C. Penney fell 5.5%, while Kohl's slipped 0.9%.

Investors said the sales data were a largely promising sign for corporate profits. First-quarter earnings season kicks off next week when Alcoa reports after the closing bell Monday.

The market has also been encouraged to see few companies warning that their first-quarter results might come in below expectations.

"We just passed the warning season with very few earning warnings," noted Yu-Dee Chang, chief principal at ACE Investment Strategies.

For a second straight day, an auction of new long-dated Treasury debt attracted solid buying, easing traders' concerns about whether the U.S. government will face high borrowing costs to finance its deficit spending. Treasury prices were lower, with the 10-year note at a yield of 3.892%.

Worries about Greece's heavy debt load lingered, helping push the yield premium for Greek government bonds over similar German debt to its highest level since the euro was launched.

But the dollar weakened against the euro, while strengthening against the yen. Crude-oil futures slipped, as did gold futures.

Checking some optimism, jobless claims rose unexpectedly last week by 18,000 and the previous week's level was revised upward.

The Dow Jones Transportation Average climbed 1.4%, helped by reports that UAL and US Airways Group are in merger discussions. UAL rose 6.8%, while US Airways jumped 10.7%.

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