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US Stocks Mostly Steady As Interest-Rate Jitters Ease

By Peter A. McKay

Major stock indexes were steady as interest-rate jitters eased in the U.S., while concerns about Greece's finances intensified.

The Dow Jones Industrial Average was up by four points, trading at 10977. The S&P 500 was up 0.2%, led by a 0.9% gain in its financial sector. But the telecommunications category slipped 0.4%.

Verizon Communications, a component of both indexes, slipped 0.7% after Chief Executive Ivan Seidenberg said he sees little compelling reason to strike a merger with Vodafone Group PLC.

Some investors also paused to digest the market's recent, rapid gains and await the wave of first-quarter earnings reports due to begin next week. While recent economic reports have bolstered confidence that a global recovery has taken hold, traders say that earnings season will also be a key test, with expectations running high.

"People seem to be getting a little more faith that you will see economic activity continue in the second half and not fall off a cliff," said portfolio manager Gary Flam, of Bel Air Investment Advisors. "But the problem for the market may be that the gains will get harder to come by."

After an initial slip, the market held steady recently following the release at 2 p.m. EDT of minutes of the Federal Reserve's March policy meeting. The minutes showed that bank officials don't believe that their commitment to sticking to near-zero rates will preclude a quick increase whenever inflation crops up, though that threat is hardly imminent.

Treasury prices rose, with the 10-year note's yield slipping further from the key 4% level. The two-year note was up 2/32 to yield 1.152%.

The dollar strengthened against the euro as concerns over Greece flared up again, making investors warier of riskier assets, including stocks. Greek government bond yields and the cost of insuring Greek government debt rose amid concerns that Greece may be looking to cut the International Monetary Fund out of a recently agreed aid package.

The yield on Greek 10-year government bonds hit 7.1% and the annual cost of insuring 10 million (\$13.5 million) of Greek sovereign debt for five years rose to the highest level since Feb. 25.

The Nasdaq Composite gained 0.4%. The Russell 2000 was up 5%.

Market volume remained light. Roughly 2.7 billion shares had traded hands in New York Stock Exchange Composite volume.

Among stocks in focus, Massey Energy dropped 10.5% after an explosion at a West Virginia coal mine it operates killed at least 25 miners.

Cedar Fair Entertainment and an affiliate of private-equity firm Apollo Global Management agreed to terminate a \$2.4 billion acquisition of the Ohio-based theme park operator, saying the deal doesn't have enough shareholder support. That sent Cedar Fair shares up 1.1% in recent trades.

AutoNation gained 2.3% after increasing its forecast for profitability in the first quarter.

The U.S. Dollar Index, which tracks the greenback against a basket of six currencies, gained 0.5%, though the dollar slipped against the yen.

Crude-oil futures held steady near \$86 a barrel, while gold contracts edged up to \$1,135.10 an ounce.

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