

Stocks barely budge as investors await new signals

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Nothing, it seemed, could move the stock markets on Tuesday.

Consumer Confidence

Index measuring attitudes toward the economy, 1985=100.



Source: The Conference Board

Faced with news about big banks and stress tests, home sales, consumer confidence and the future of the auto industry, investors offered almost no reaction. The major indexes swung between light gains and losses all day before ending slightly lower.

Transportation and telecommunications companies buoyed the broader markets while financial stocks dragged them lower. The Dow Jones industrial average lost 8.05 points, or 0.1 percent, to end at 8,016.95, while the broader Standard & Poor's 500-stock index fell 2.35 points, or 0.3 percent, to 855.16. The Nasdaq was down 0.3 percent at 1,673.81.

To some extent, investors were on hold, waiting for two key economic developments set for Wednesday. The government is scheduled to report its preliminary estimate of economic growth in the first quarter, and the Federal Reserve's Open Market Committee is expected to release a statement as it concludes a two-day meeting in Washington.

Shares of major banks declined as investors looked for more details of the government's stress tests of major banks. Bank of America fell 8.6 percent to \$8.15 a share, and Citigroup declined 5.9 percent to \$2.89 following a report that the government was urging the banks to raise more capital.

An unexpected rise in consumer confidence and slower declines in prices of single-family homes helped to pare early losses on Wall Street, but the better-than-expected numbers gained little traction with investors.

While neither report showed that the American economy had suddenly swung back to health, analysts said they offered more glimmers that the recession's declines could be abating.

Shares of retailers, cable companies, department stores and other consumer companies paced the rest of the market as the private Conference Board reported that its consumer confidence index spiked in April.

The index rose to 39.2 this month from 26.9 in March as people said their economic situation had not gotten significantly worse, and that their expectations for the future got better. Fewer

people said business conditions were bad, and they said they expected more jobs to be available in the months ahead.

That sudden groundswell of optimism among consumers could reflect recent improvements in stock markets and talk of glimmers of economic hope from members of the Obama administration.

Still, consumers are still more pessimistic than they were last November, when the financial crisis was erupting, and their emerging hopes about jobs could shift as unemployment continues to head higher.

Drug stocks also continued to rise after the World Health Organization raised its pandemic alert for swine flu to level 4, ratcheting up fears that the spreading outbreak could disrupt commerce and economic recovery in some countries if deaths continue to rise.

On Monday, investors bought heavily into pharmaceutical shares, fled the Mexican peso and Mexican companies and pushed shares of airlines sharply lower as they watched to see how concerns over swine flu would ripple through the global financial system.

New York Times, New York, 28 abr. 2009, Business, online. Disponível em <www.nytimes.com>. Acesso em: 29 abr. 2009.

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