

# The Washington Post

## Earnings reports push stocks higher, Dow up 76

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NEW YORK -- Better-than-expected earnings reports from corporate bellwethers helped push stocks to their fourth day of gains on Wednesday, even though not all the companies themselves enjoyed the rally.

[Intel Corp.](#) and JP Morgan Chase & Co. both fell by more than a percent despite announcing double-digit gains in profits. Their earnings reports, however, contained nuggets of hopeful news on the direction of the broader economy.

JPMorgan's CEO Jamie Dimon predicted credit card defaults are likely to fall next quarter, which helped push shares of [American Express](#) up 1.9 percent and MasterCard up 3.9 percent. Intel predicted sales should remain consistent through the end of the year as customers switch from back-to-school shopping to the holiday season. That contributed to gains in Dell, which was up 1.5 percent for the day, and [Microsoft](#), which was up 2 percent.

[CSX Corp.](#), one of the country's largest railroad companies, saw a big jump in the shipment of cars and trucks. Its stock rallied, but shares in JPMorgan and Intel fell.

"They were assuring," Andrew Ross, partner at First New York Securities, said of the earnings reports. "But they weren't inspiring, or disrupting."

One reason that the shares in the companies that announced earnings didn't jump was that some traders were expecting even higher gains. "With Intel especially, there were whisper expectations that were much higher than what the analysts had printed, and that helped push the stock up beyond estimates," said Jay Leupp, the president of Grubb & Ellis AGA mutual funds.

Those results allowed the market to continue the upward trajectory it has taken in recent weeks, Ross said. The Dow is up 2.9 percent in October, and closed Wednesday at its highest level since May 3. The Dow has been up for 22 of the 31 trading days since the end of August.

Commodities also jumped sharply. Gold touched another record and oil rose about 2 percent. Freeport-McMoRan Copper & Gold Inc. and [Newmont Mining Corp.](#) were among the biggest winners.

"In an improving (global) economy, everyone is going to consume more," said Christian Wagner,

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CEO of Longview Capital Management. "You need the basic materials."

Wagner said growth should remain strong in emerging markets, helping keep demand high for commodities like aluminum and other metals.

The Dow rose 75.68, or 0.7 percent, to 11,096.08. The broad Standard & Poor's 500 index rose 8.33, also 0.7 percent, to 1,178.10, while the Nasdaq composite index rose 23.31, or 1 percent, to 2,441.23.

Gold settled up \$23.80 at \$1,370.50 an ounce, the latest in a recent series of record highs. Benchmark crude oil rose \$1.34 to \$83.01 a barrel on the New York Mercantile Exchange.

Bond prices rose and interest rates rose slightly. The yield on the benchmark 10-year Treasury note, which moves opposite its price, fell to 2.42 percent from 2.43 percent late Tuesday.

Bond prices have been rising in recent weeks as expectations mount that the Federal Reserve will start buying Treasuries and take other measures to encourage lending. Minutes from the Fed's September meeting released Tuesday afternoon suggest that the central bank is nearing consensus on when and how to take more stimulus measures. Traders are hoping for more specific news after the Fed's meeting in early November.

In an odd twist, stocks have also benefited from the expected move by the Fed because they become more attractive investments over a longer period if bond yields continue to fall.

Freeport-McMoRan rose \$3.95, or 4.15 percent, to \$99.08, while Newmont jumped \$1.18 to \$63.18.

CSX shares jumped \$2.40, or 4.2 percent, to \$59.66.

JPMorgan Chase shares fell 56 cents to \$39.84 and Intel slipped 53 cents to \$19.24. Both rose earlier in the day.

Volume on the New York Stock Exchange came to 5.1 billion shares, with three stocks up for every one that fell.

(This version CORRECTS that shares of two of three bellweathers - Intel and JPMorgan - fell, while CSX rose) )

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