

# FINANCIAL TIMES

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## Equities flat despite strong consumer spending figures

### WALL STREET

By Masa Sertarevic  
in New York

US stocks were flat yesterday in spite of surprisingly strong retail sales data and positive employment figures from Canada.

Retail sales rose 0.3 per cent in February, significantly beating expectations of a 0.2 per cent fall. Excluding cars, sales rose 0.8 per cent.

"Consumers are beginning to come out of their shells. February's blizzards and Toyota's problems may have hurt vehicle sales, but the rest of the retail picture was strong for the second month in a row," said Nigel Gault, chief US economist at IHS Global Insight. "Today's data suggest that real consumer spending will rise about 3 per cent in the first quarter, the fastest increase in three years."

After the closing bell, the S&P 500 was flat at 1,149.99 but up 1 per cent on the week. The Dow Jones Industrial Average was up 0.1 per cent at 10,624.89 but 0.6 per cent higher on the week. The Nasdaq was flat at 2,367.86 but up 1.8 per cent on the week.

"Yesterday's [Thursday's] warnings about a jump in inflation in China did not scare off the sell side," said David Allen, director of sales at First Coverage, a research group that tracks market sentiment. "It continues to be bullish going into next week."

Mr Allen expects the utilities and telecoms sectors to outperform.

Ann Taylor  
Share price (\$)



Source: Thomson Reuters Datastream

▲ Ann Taylor Stores declined 0.8 per cent to \$29.29 after the women's clothing retailer posted positive fourth-quarter earnings but remained cautious on whether the momentum could be maintained. Same-store sales fell 0.6 per cent on the same period a year ago.

Acquisitions activity supported the market, with three sizeable deals.

Life insurer MetLife rallied 8.2 per cent to \$42.11 during the week as it announced its acquisition of AIG's Alico unit, one of the insurer's main overseas operations, for \$15.5bn. It is AIG's second divestiture this month. It climbed 21.9 per cent during the week to \$34.20.

Devon Energy advanced 0.8 per cent to \$70.14 on the week on Thursday's news that its international assets were being bought by London's BP for about \$7bn.

CF Industries slid 3.9 per cent to \$96.73 yesterday on

### Key indicators

Index	Closing price	Day's change	Day's high/low
FTSE 100	3,025.5	+8.3	3,025.5-3,017.2
DAX	3,942.5	+81.2	3,942.5-3,861.3
Nikkei 225	2,944.5	+7	2,944.5-2,937.0
Hong Kong	20,748.08	+7	20,748.08-20,740.5
Shanghai	3,219	+20	3,219-3,200
Hang Seng	20,748.08	+17	20,748.08-20,740.5
ASX 200	4,128.5	+17	4,128.5-4,111
NYSE Comp	1,149.99	+1.8	1,149.99-1,148.14

Index	Closing price	Day's change
Ann Taylor	29.29	-0.8
Amazon	271	+14
Apple	308	+28.50
Bank of America	42.57	+0.02
Bank of China	30.30	+1.80
Bank of India	112.74	+0.1

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news that it had bought rival Terra Industries for more than \$4.5bn in cash and stock.

Yara International, a Norwegian fertiliser group, decided against raising its own bid for Terra. Shares in Terra fell 1.2 per cent to \$46.32 yesterday.

Separately, Agrium, an agricultural products and services group, said it had abandoned its \$5.4bn bid for CF Industries. Agrium was 8 per cent higher at \$72.10 yesterday.

Rival fertiliser producer Potash Corp gained 7.1 per cent to \$125.27 yesterday after the company upped its first-quarter earnings fore-

casts, citing rising demand.

Financials stocks posted strong returns during the week.

Citigroup fell 5 per cent to \$3.97 yesterday, but rose 13.4 per cent during the week. The stock closed up for eight consecutive sessions, helped by speculation that the US government may offload part of its stake in the bank soon, and Vikram Pandit's comments on Thursday that the bank was well positioned to return to profitability.

Goldman Sachs climbed 4.7 per cent to \$174.96. JPMorgan Chase ended the week 0.8 per cent higher to \$43.15 and Bank of America rose 0.9 per cent to \$36.85 during the week.

Shares in Supervalu surged 6.6 per cent to \$27.13 yesterday on speculation that the grocery retail chain was the target of a leveraged buy-out bid that could be worth up to \$22.50 per share.

United Technologies lost 0.7 per cent to \$71.53 yesterday after it confirmed its 2010 earnings forecasts. It expects its Otis elevator unit to be less profitable and Hamilton Sundstrand, its aircraft component business, to be more profitable than previously thought.

Kirkland's, a home accessories retailer, advanced 3.1 per cent to \$20.11 as it posted better-than-expected earnings, aided by strong customer traffic at stores.

Southern Copper, the biggest copper producer in Peru, gained 2.6 per cent to \$32.04 yesterday as Deutsche Bank upgraded the stock to "buy" from "hold".