



## US Stocks Remain Higher On Strong Telecom; DJIA Up 20

By Geoffrey Rogow  
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NEW YORK (MarketWatch) -- U.S. stocks continued to trade slightly higher on strength for telecommunications and utilities companies Monday, though the gains were limited by concerns over whether interest-rate increases could come sooner than previously expected.

The Dow Jones Industrial Average was recently up 24 points, or 0.2%, at 10414. Verizon Communications was the measure's best performer, up 1.7%. American Express was also strong, up 1.2% following an upgrade of credit-card companies by analysts at Bank of America Merrill Lynch. However, Pfizer and Caterpillar weighed on the Dow.

The technology-heavy Nasdaq Composite was down 1 point recently, while the Standard & Poor's 500 edged up less than a point. The S&P 500 was led by its telecom and utilities sectors, which have been laggards for much of the year, while the financial sector, which led much of the year's rally, weighed.

Even with the morning's gains, that technology and financials were lagging raised eyebrows on trading desks and had some preaching caution going into the middle of December.

**"The first indicator of sentiment truly shifting to the negative would be if financials and technology fell at the same time," said Randy Cass, founder and vice chairman of First Coverage. "That would be the end of the love affair and a real sign people are actually taking money off the table."**

Stock traders also kept a sharp eye on the dollar, which was strong versus the euro even as U.S. stocks edged higher. This movement marked the second-straight day both asset classes move in the same direction, reversing a trend that persisted through much of the fall, in which the two markets appeared to be inversely correlated.

The breaking away of their usual connectivity comes after the government on Friday reported the smallest rate of job destruction in nearly two years. Investors were pleased to see the data come in above expectations, as they've been looking for signs of improvement to justify the Dow's 59% rally from its March 9 closing low. However, it also led to concern that the U.S. Federal Reserve could raise interest rates from near-zero levels sooner than previously planned.

"You have to wait and see if that was just a statistical blip, or was it the beginning of something important," said Don Wilson, chief executive of DRW Trading Group in Chicago. If data continues to handily beat expectations, "most likely you'd have to push up the timeframe when you might expect a Fed hike," Wilson said. "But I don't think [the jobs report] was enough to make you say, 'oh, they're definitely going to tighten in the first quarter of 2010.'"

Coupled with the move higher for the dollar, crude-oil futures and gold futures were lower. Treasuries were also higher, with the two-year note up 1/8 to yield 0.790%, and the 10-year note rose 13/32 to yield 3.429%.

Given the interest rate concerns, all eyes will be on a speech by Federal Reserve Chairman Ben Bernanke set for 12:45 EST.

Among stocks in focus, MetLife rose 2.2%. The life insurer said it anticipates a sharp rebound in 2010 earnings on improved investment margins and higher premium revenue.