



## Wall St mixed in early trading

By Kiran Stacey in New York  
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US equities fluctuated on Friday morning as positive results from [Citigroup](#) and [General Electric](#) struggled to bolster confidence in financial stocks.

Citigroup [reported a trading profit](#) for the first time in six quarters. That translated into a loss per share after a reset in the price of convertible preferred stock in January, but the loss was narrower than analysts had expected.

Much of that performance appeared to have already been priced in, with Vikram Pandit, Citi's chief executive, having already said the company enjoyed a profitable January and February, and Citi's shares fell 3.2 per cent to \$3.88. Performance from other banks was mixed, with [Bank of America](#) picking up 1.1 per cent to \$10.45 but [Wells Fargo](#) losing 0.5 per cent to \$19.36.

GE meanwhile [announced a higher profit than expected](#), helped by good performance in its energy operation. But fears remained for the health of its finance arm, GE Capital, as consumer credit losses defaults continued to rise. GE's shares fell 0.9 per cent to \$12.16.

[JPMorgan](#), which gained some ground on Thursday after reporting better results than expected, fell 1.4 per cent to \$32.79.

Regional banks were lifted after [BB&T](#) surprised the market with its earnings, boosting confidence that the bank, which is one of the largest US banks not to have cut its dividend, could continue to make its payments to shareholders. Its shares rose 4.7 per cent to \$22.06, giving further confidence to the sector after Regions Financial surged in the previous session having said it was profitable in the first quarter.

The benchmark S&P 500 index gave up early gains and by mid-morning was 0.1 per cent down at 864.64 points, but the Dow Jones Industrial Average held on to fractional gains at 8,129.02 points. Equities remained in line for their sixth weekly gain for the first time since the market peaked in November 2007.

**“If the majority of investors believe the rally has gone too far, it is sure to go further,”** said David Kreinces, portfolio manager at ETF PM. **“I think the S&P has a pretty good shot at 900 before it sees some pull back.”**

The Nasdaq Composite index fell furthest, losing 0.6 per cent to 1,660.82 after some of the optimism on Wall Street was tempered as the market digested [results from Google](#) on Thursday.

[Google](#) rose sharply before the close in the previous session, with investors betting on better results than predicted. It continued those gains on Friday after profits were confirmed to have beaten forecasts after successful cost-cutting measures. The shares rose 2.2 per cent to \$397.26.

Other technology companies had joined Thursday's rally, but many lost ground on Friday morning as investors accounted for the fact that Google's performance came more from cost-cutting measures than strong revenues. [Microsoft](#) lost 0.6 per cent to \$19.65 and [Dell](#) gave up 1.1 per cent to \$10.76.

"An emerging theme in the market is the ability of companies to make profit despite contracting revenue growth. Cost controls and productivity gains are robust and supportive to stock prices," write Nick Kalivas, an analyst at MF Global.

Elsewhere on Wall Street, [Biogen](#), the drug company, was able to beat analysts' expectations by recording a profit of \$1.05 per share. But its shares fell 1.9 per cent to \$50.51 as weak demand led to falling sales of its brand-name drugs, including cancer drug Rituxan.

[Mattel](#), the toy maker, reported a heavier loss than predicted as retailers cut back on inventories amid low customer demand. Its shares rose 11 per cent to \$14.46, however, after Robert Eckert, the chief executive, said the company would aim to cut costs and capital expenditure during 2009. Rival toy maker [Hasbro](#) also gained, picking up 4.2 per cent to \$27.30.

There was another twist in the ongoing battle by [MGM Mirage](#), the casino operator, to avoid going bust, after the Wall Street Journal reported that two of the company's investors, Carl Icahn and Oaktree Capital, are pushing for the company to file for bankruptcy. Its shares slumped 12.4 per cent to \$5.17.

European stocks were up early on Wall Street, with the FTSE Eurofirst 300 index gaining 1.6 per cent to 814.88 points. Asian equity markets were mainly higher, led by a 1.5 per cent rise in the FTSE Asia-Pacific index to 165.66.

Bond yields were up, with the yield on the two-year Treasury note 3 basis points higher at 0.932 per cent and on the 10-year Treasury note was up 4bp to 2.871 per cent.

The dollar was stronger against major currencies early in New York. In overnight trade the dollar rose 1 per cent against the pound to \$1.4784 and climbed 1.4 per cent against the Swiss franc to SF1.1626.

Gold was trading \$0.60 lower at \$870.65 per troy ounce.

Oil prices were down early in New York. US crude prices were \$1.20 higher at \$51.18 a barrel.