

BUSINESS & FINANCIAL OVERVIEW

Major Averages Holding On To Gains In Mid-Day Trading - U.S.

Commentary

After an early move to the upside, stocks have given back some ground but remain mostly positive in mid-day trading on Friday. The Nasdaq and the S&P 500 reached six-month intraday highs in early trading.

The major averages have moved roughly sideways in recent trading, hovering in positive territory. The Dow is up 201.36 points or 0.8 percent at 26,344.41, the Nasdaq is up 19.38 points or 0.2 percent at 7,966.74 and the S&P 500 is up 12.44 points or 0.4 percent at 2,900.76.

The early strength on Wall Street came amid a positive reaction to quarterly results from JPMorgan Chase (JPM), with the financial giant jumping by 4.6 percent.

Before the start of trading, JPMorgan kicked off the earnings season by reporting record first quarter earnings and revenues that exceeded analyst estimates.

The better than expected results from JPMorgan partly offset some of the recent concerns about corporate results for the quarter.

Shares of Disney (DIS) have also surged up by 10 percent after the entertainment giant initially priced its streaming service well below Netflix (NFLX).

Buying interest has waned since the open, however, as traders seem reluctant to make more significant moves ahead of the release of quarterly results from a slew of big-name companies next week.

A report from the Labor Department showing a bigger than expected increase in import prices in March may also have raised inflation concerns, although the price growth was largely due to another spike in fuel prices.

Energy stocks continue to see considerable strength in mid-day trading after oil and gas exploration and production company Anadarko Petroleum (APC) agreed to be acquired by energy giant Chevron (CVX) in a stock and cash transaction valued at \$33 billion.

The strength in the energy sector also comes amid an increase by the price of crude oil, with crude for May delivery climbing \$0.57 to \$64.15 a barrel.

Reflecting the strength in the sector, the NYSE Arca Natural Gas Index is up by 2 percent and the NYSE Arca Oil Index is up by 1.4 percent.

The upbeat earnings news has also contributed to considerable strength among financial stocks, driving the KBW Bank Index and the NYSE Arca Broker/Dealer Index up by 1.4 percent and 1.2 percent, respectively.

Semiconductor and chemical stocks are also seeing some strength on the day, although most of the major sectors are showing more modest moves.

