

Wall Street edges up on Intel but posts weekly loss
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US stocks edged up yesterday, boosted by bullish news from the tech sector, but major indexes fell for the week as unrest in Iraq kept investors on edge.

Intel Corp was one of the S&P 500's biggest gainers and one of Nasdaq's most active names, but overall gains were capped as investors kept a close watch on violence in Iraq that drove oil prices to their highest since September.

Analysts are worried about the impact a protracted period of high commodity prices could have on economic growth, especially with indexes near record levels.

President Barack Obama said yesterday he needs several days to determine how the United States will help Iraq deal with a militant insurgency, but he ruled out sending US troops back into combat and said any intervention would be contingent on Iraqi leaders becoming more involved.

"The situation in Iraq is another one of these geopolitical flare-ups that have a short-term impact on the market. It will continue to create volatility in the oil market, but I don't think it will spill over that much to equities," said Randy Frederick, managing director of trading and derivatives at Charles Schwab.

The CBOE Volatility index VIX, Wall Street's so-called fear gauge, fell 3% to 12.18 yesterday.

Intel shares jumped nearly 7% to US\$29.87 a day after the Dow component raised its full-year revenue outlook, citing stronger-than-expected demand for personal computers used by businesses.

OpenTable Inc popped 48.3% to US\$104.48 in heavy trading after Priceline Group Inc said it would buy the company for US\$2.6 billion (RM8.4 billion). Priceline fell 3% to US\$1,189.30.

Among other Internet names, Yelp Inc jumped 13.8% to \$74.92 and GrubHub Inc rose 7% to US\$36.00.

The Dow Jones industrial average rose 41.55 points or 0.25%, to 16,775.74, the S&P 500 gained 6.05 points or 0.31%, to 1,936.16, and the Nasdaq Composite added 13.02 points or 0.3%, to 4,310.65.

For the week, the Dow was down 0.9%, the S&P fell 0.7% and the Nasdaq was down 0.25%.

The week's decline was the first after three weeks of consecutive gains on the S&P 500. For the year, the broad market index is up about 4.8%.

Brent crude edged further above US\$113 a barrel yesterday, up about US\$4 since the start of the week, on concerns that an insurgency in Iraq could trigger civil war and eventually hit oil exports.

In macroeconomic news, US consumer sentiment unexpectedly fell in June as views by consumers with the lowest incomes soured, according to the preliminary June read from the Thomson Reuters/University of Michigan's index.

Finisar Corp plunged 21.9% to US\$19.71 a day after forecasting weaker-than-expected earnings, citing higher capital expenditure in China.

Trading volume was at around 5.07 billion shares on US exchanges, below last month's average of about 5.76 billion, according to data from BATS Global Markets. – Reuters, June 14, 2014.

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