

US Stocks Rise, Led By Technology Sector; DJIA Up 55

U.S. stocks rose Tuesday, led by the technology sector following strong earnings from Apple, while investor sentiment was boosted by a better-than-expected reading on consumer confidence.

The Dow Jones Industrial Average was up 55 points, or 0.5%, at 10251, in recent trading. Earlier in the session, the Dow had been off as much as 41 points. Alcoa was the measure's best performer, up 4%, after metals futures reversed prior losses. Travelers was also strong, up 3.6% as the insurer's fourth-quarter earnings jumped 60% to its highest quarterly profit since going public in 2002. American Express and Caterpillar also helped lift the Dow, up more than 2% each.

Verizon was the Dow's worst performer, down 2.3% after the telecom giant reported a fourth-quarter loss as a result of charges related to job cuts in the period. Excluding items, Verizon's earnings met analysts' estimates but its revenue fell short. The results weighed on rival AT&T, which fell 0.8%.

The technology-heavy Nasdaq Composite was up 0.4%, while the Standard & Poor's 500-share index rose 0.3%. The technology sector led the S&P 500's recent gains, boosted by Apple. Shares of the consumer electronics giant climbed 3.6% after the company reported a stronger-than-forecast 50% profit rise during its fiscal first quarter, though iPhone shipments lagged estimates.

In other markets, crude-oil futures were down slightly, having pared their prior declines. The dollar was higher against the euro but lower against the yen. Treasuries were mixed, with the two-year note down 1/32 to yield 0.824% and the 10-year note up 1/32 to yield 3.629%.

Gold futures turned positive, along with other metals futures, after being lower earlier in the session. Investors were concerned about how demand for materials from China might be affected, after several Chinese banks have reportedly ordered some branches to suspend new lending for the rest of this month.

However, the worries appeared to abate as Tuesday's session continued.

"People have priced in that China's government is trying to slow things down a bit," said Justin Walters, co-founder of Bespoke Investment Group.

Investors took heart in data from the Conference Board, a private research group, that showed a rise in U.S. consumer confidence for the third consecutive month in January. Its measure of consumer confidence came in above economists' estimate.

In addition, the Congressional Budget Office said the federal government budget deficit will reach \$1.3 trillion in fiscal 2010, slightly less than the \$1.4 trillion it recorded in fiscal 2009.

The reports came as stocks are struggling to recover from their worst weekly drop since March. While some market watchers are fearful that the decline was just the start of a larger pullback, others, including Jay Leupp, senior portfolio manager of the Grubb & Ellis AGA Realty funds, said the decline provided some good buying opportunities.

"We've seen a healthy correction, and we're still at a point where investors are buying either on dips or where they see value," Leupp said. "We're back to seeing good values in equity prices this last couple of days, so we're getting a little more active here in stocks we've been watching."

Nevertheless, investors remain cautious ahead of major political and economic events this week, including Wednesday's Federal Reserve interest-rate decision and the president's State of the Union address.