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TODAY'S MARKETS

Stocks Seesaw Amid Positive Data, Renewed Weakness Overseas

By JOANNA L. OSSINGER
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Stocks bounced around Wednesday morning, as stocks took a breather from yesterday's big declines. Positive data on the U.S. current-account deficit and **General Motors'** swing to a profit helped damp any continued downward momentum, but overseas markets suffered.

The Dow Jones Industrial Average fell 4 to 12071.96. The S&P 500 added 1.49 to 1379.44, and the Nasdaq Composite Index gained 2.79 to 2353.36.

"People are looking for reasons not to sell stocks again," said Sarah Hunt, research analyst at Alpine Funds. Investors "want to be positive."

International stock markets dropped sharply on Wednesday, with particular weakness seen in Asia, where the Nikkei 225 fell 2.9% in Tokyo. The FTSE 100 in London declined 1.8% in late-morning trade.

"You saw other countries react to us [selling off Tuesday], the way we reacted to China" a couple weeks ago with the biggest selloff of the year, said Rafael Resendes, co-founder of Applied Finance Group. So, he thinks the U.S. market has done its selling, and "now the entire market is going to sit back and digest this."

Early Wednesday, GM said [it swung](#)¹³ to a \$950 million profit in the fourth quarter, helped by continued cost-cutting measures and improvement in its core North American operations. The world's largest auto maker, in the midst of a massive restructuring, had delayed its quarterly results because of accounting troubles. Revenue in the latest quarter fell to \$51.2 billion from \$51.7 billion a year ago. GM shares rose 0.3% to \$30.60.

The Commerce Department said early Wednesday the U.S. current account deficit narrowed sharply to \$195.8 billion during October through December from a revised \$229.4 billion in the third quarter. For all of 2006, the deficit totaled \$856.7 billion, higher than 2005's gap of \$791.5 billion. Economists predicted a fourth-quarter gap of \$204.1 billion.

H&R Block, the nation's largest tax preparer said it was boosting its third-quarter loss after cutting the value of a subprime mortgage subsidiary. Shares fell 3.2% to \$19.40.

Among other stocks to watch, **Lehman Brothers** reported a 5.6% increase in fiscal first-quarter net income amid record net revenue from the capital-markets and investment-management businesses. Lehman is the second major bank, after **Goldman Sachs** on Tuesday, to report its quarterly results. Lehman stock fell 1%, while Goldman gained 1.3%.

Separately, [Lehman acquired](#)¹⁴ a 20% interest in the two management units that run D.E. Shaw, one of the world's largest hedge funds.

Elsewhere, **Juniper Networks** fell 0.5% to \$17.65 after announcing that its [chief financial officer](#)¹⁵ has quit.

Crude-oil prices rose four cents to \$57.97 a barrel after weekly petroleum inventory data from the Energy Information Administration came in largely as expected.

In major market action:

Stocks advanced¹⁶. On the New York Stock Exchange Wednesday, 1,497 stocks advanced and 1,555 declined on volume of 563.5 million shares.

Bonds declined¹⁷. The 10-year Treasury note fell 4/32, or \$1.25 for every \$1,000 invested, yielding 4.504% Wednesday. The 30-year bond was off 4/32, yielding 4.666%.

The dollar was mixed¹⁸. The dollar traded at 116.51 yen from 116.36 yen late Tuesday, while the euro stood at \$1.3217 from \$1.3192.

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