U.S. Stocks Trade Mixed After Consumer Report

Matthew Craft, AP Business Writer

NEW YORK (AP) — U.S. stocks are flipping between small gains and losses in midday trading Tuesday.

The Dow Jones industrial average edged up five points to 13,248 at 12 noon local time. Bank of America fell 1.6 percent, the biggest drop in the Dow.

Lennar Corp. pulled housing stocks up after reporting earnings that beat analysts' expectations. Lennar delivered more houses and pulled in more orders, and its stock rose 5.8 percent. PulteGroup rose 6.1 percent, D.R. Horton 5.2 percent.

Major indexes opened higher, then pulled back after 10 a.m. local time, when the Conference Board said its index of consumer confidence slipped in March. Around the same time, the Federal Reserve Bank of Richmond reported that a measure of regional manufacturing plunged this month.

The S&P 500 index rose one point to 1,418. The Nasdaq composite index rose eight points to 3,130.

All three indexes are up more than 1 percent for the week. The S&P 500 index has already gained 12.7 percent since the start the year. That three-month return easily beats the 8 percent return most fund managers hope to make in a whole year.

Brian Gendreau, market strategist at Cetera Financial, said the stock market still has room to go higher even after such a strong start. Companies in the S&P 500 index are trading for around 13 times their expected earnings over the next year, below the average of 14.6 times over the past decade. And there's plenty of cash still tucked away in the Treasury market.

"Compared to bonds, stocks remain very attractive," Gendreau said. "That doesn't tell you if we'll get a move in a week or a month from now, but it does tell you that there's a lot of pent-up demand."

Among stocks making big moves:

— Walgreen Co. rose 1.5 percent. The drugstore chain posted a drop in quarterly earnings but the results still topped analysts' expectations.

— Apollo Group Inc. fell 8 percent, the biggest drop in the S&P 500. The for-profit education company reported a profit in the most recent quarter but issued a dim forecast. Apollo expects fewer students to enroll in the coming quarter.

— Ista Pharmaceuticals Inc. leapt 7.8 percent on news that Bausch & Lomb plans to buy the drug maker for roughly $500 million in cash. Ista gets most of its revenue

from Bromday, an eye drop for patients recovering from cataract surgery. Bausch & Lomb plans to pay $9.10 per share for Ista, a 72-cent premium over Monday's closing price. Bausch & Lomb is privately held.

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