

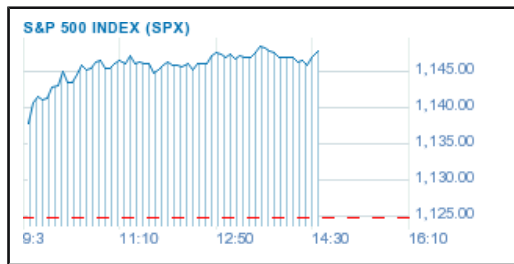
Stocks Boosted by Technicals

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NEW YORK ([TheStreet](#)) -- Technical momentum coupled with a heartening read on durable goods orders propelled stocks nearly 2% higher Friday, despite August new-home sales coming in weaker than expected.

The **Dow Jones Industrial Average** was adding 179 points, or 1.7% to 10,842. The **S&P 500** was gaining 21 points, or 1.9% to 1146 and the **Nasdaq** was ahead by 44 points, or 1.9%, at 2371.



Ralph Fogel, head of investment strategy at Fogel Neale Partners, sees a combination of technical and fundamental reasons behind why the market is paying more attention to the good news than bad news.

"Technically, the market has had a head-and-shoulder bottom so we've been waiting for the market to break out and it did," Fogel said. "It pulled back a little bit but then bounced back -- even disappointing jobless claims didn't cave the market. The S&P 500 remained above 1,130. From a technical standpoint, that's pretty powerful. So all it took was some good news today -- with durable goods orders that were a little bit of a surprise -- for the market to take off. So the technical underpinnings are there."

"On a fundamental basis," he added, "I think people are starting to wake up to the fact that they can get 2% and change from 10-Year Treasury bonds or they can buy **Johnson & Johnson (JNJ)** and get a 3.5% yield with the potential for upside."

Earlier, the Commerce Department said durable goods orders declined 1.3% in August after rising 0.7% in the previous month. The decline was slightly lower than the 1.4% drop anticipated by economists, according to [Briefing.com](#). Excluding transportation, orders grew 2% after slumping 3.7% in July. Analysts were expecting only a 0.5% bump.

Conglomerates and capital goods sectors were leading the session's gains with **Caterpillar (CAT)**, **Alcoa (AA)** and **Cisco Systems (CSCO)** putting in the best performance on the Dow.

[New-home sales](#) remained unchanged in August at 288,000, disappointing economists' expectations for a rise to 291,000, according to [Briefing.com](#).



NBC Universal CEO Jeff Zucker plans to leave his position after **Comcast(CMCSA)** completes its takeover of NBC. Shares of NBC parent company **General Electric(GE)** were trading 1.8% higher at \$16.43 while Comcast's stock was advancing 3.1% to \$18.48.

Shares of **American Axle & Manufacturing(AXL)** surged 3.1% to \$9.12 following its announcement of a joint venture with **Saab Automobile** to deliver vehicle fuel efficiency components.

BHP Billiton(BHP) got approval from the U.S. Federal Trade Commission to go ahead with its attempt to takeover **Potash(POT)**. The FTC green light comes just two days after Potash sued BHP in U.S. federal court in an effort to block their bid. Potash shares were gaining 0.1%, to \$145.51 and BHP's stock was rising 2.2% to \$75.65.

Shares of **Netflix(NFLX)** were jumping 2.4% to \$164.36 on news that it will expand its licensing agreement with NBC to allow users to stream prior TV series from its cable and broadcast networks.

Novartis(NVS) signed an agreement to sell the U.S. rights to Enblex, a treatment for symptoms of an overactive bladder, to **Warner Chilcott(WCRX)** for \$400 million. Shares of Novartis were climbing 2% to \$57.44 while Warner Chilcott's stock was higher by 1.5% at \$22.80.

HSBC(HBC) CEO Michael Geoghegan will step down at the end of the year and will be replaced by Stuart Gulliver, head of the group's investment bank. The stock was up by 1.6% to \$52.59.

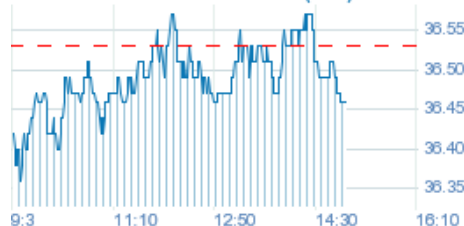
Walt Disney's(DIS) top Internet executive, Steve Wadsworth, announced his resignation and his successor has yet to be named. Shares were adding 1.4% to \$33.59.

In commodity markets, November crude was gaining \$1.29 to trade at \$76.47 a barrel. The December gold contract was up by \$2, to \$1,298.30 an ounce.



The dollar was trading lower against a basket of currencies with the dollar index down by 1% while the benchmark 10-year Treasury note weakened 13/32, lifting the yield to 2.598%.

CBOE Interest Rate 10-Year T-Note (TNX)



Overseas, Hong Kong's Hang Seng gained 0.3% while Japan's Nikkei shed 1%. The FTSE in London added 0.9%, and the DAX in Frankfurt rose by 1.8%.

--Written by Melinda Peer in New York.

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