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US STOCKS-Indexes rise on muted core CPI, Intel gains

Fri Jun 15, 2007 9:57AM EDT

(Updates to early morning)

By Ellis Mnyandu

NEW YORK, June 15 (Reuters) - U.S. stocks rose on Friday after government data showed consumer prices, excluding food and energy, grew less than expected in May, reassuring investors about the economy's health.

Shares of Intel Corp. (INTC.O: [Quote](#), [Profile](#), [Research](#)) underpinned early gains and fueled an advance among technology stocks with a 3.3 percent jump after Goldman Sachs raised its rating on the chipmaker, a component of the Dow Jones industrial average (.DJI: [Quote](#), [Profile](#), [Research](#)), to "buy" from "neutral."

"CPI came out pretty positive, it's clear that core inflation remains under wraps," said J.J. Burns, president of wealth management firm J.J. Burns and Co. LLC in Melville, New York. "This bodes well for the Fed that we're getting good, moderate growth with lower inflation."

The Dow Jones industrial average (.DJI: [Quote](#), [Profile](#), [Research](#)) was up 93.41 points, or 0.69 percent, at 13,647.13. The Standard & Poor's 500 Index (.SPX: [Quote](#), [Profile](#), [Research](#)) was up 11.63 points, or 0.76 percent, at 1,534.60. The Nasdaq Composite Index (.IXIC: [Quote](#), [Profile](#), [Research](#)) was up 25.43 points, or 0.98 percent, at 2,624.84.

The Nasdaq hit its highest in more than six years after the open, at 2,628.58.

Stocks would also seek direction from the Reuters/University of Michigan June preliminary consumer sentiment survey due out at 10 a.m. (1400 GMT).

The inflation data was welcome news as a recent climb in benchmark bond yields had worried investors that rising borrowing costs would hurt corporate profits, curtail takeovers and crimp share buybacks.

Intel shares rose to \$23.97 on the Nasdaq, and was the biggest gainer on the S&P 500. Also heading higher in the tech sector were shares of International Business Machines (IBM.N: [Quote](#), [Profile](#), [Research](#)), up 0.6 percent at \$104.42.

Shares of The New York Mercantile Exchange (NYMEX) (NMX.N: [Quote](#), [Profile](#), [Research](#)), the world's largest energy market, rose 3.5 percent to \$144.72 after Bloomberg News reported that the company was exploring a sale for about \$14.3 billion. (Additional reporting by Jennifer Coogan)

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