

CLM Latest on Stocks
HD **U.S. Stocks Close Higher, Led by Nasdaq**
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U.S. stocks gained ground for the first time in four sessions, led by strength in the recently hard-hit Nasdaq Composite Index, as investors braced for the start of earnings season.

The Dow Jones Industrial Average advanced 10.27 points, or 0.1%, to 16256.14. The Dow was down as much as 65.59 points, and up as much as 50.99 points, at its intraday extremes.

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The S&P 500 index gained 6.92 points, or 0.4%, to 1851.96, while the technology-oriented Nasdaq Composite climbed 33.23 points, or 0.8%, to 4112.99.

The Nasdaq had been hit particularly hard recently amid sharp declines in previously highflying technology and biotechnology stocks. The index lost 4.6% over the previous three sessions--the biggest three-day percentage decline since November 2011.

Meanwhile, the Dow lost 327.13 points, or 2%, over the previous three sessions.

The market's recent weakness stemmed from concerns over valuations ahead of what is expected to be a lackluster first-quarter earnings season, traders and strategists said.

First-quarter earnings among companies in the S&P 500 are expected to decline 1.3% from a year earlier as of Tuesday, according to consensus analyst estimates compiled by FactSet. A drop would mark only the second year-over-year decline in earnings since the financial crisis.

"We've seen expectations for earnings growth wane, and that's been weighing on sentiment," said Terry Sandven, chief **equity** strategist at U.S. Bank Wealth Management, which has \$115 **billion** in assets under management. He said that sets up overall results to exceed expectations.

"In part because the bar is low, the bias is to the upside," Mr. Sandven said.

Bruce Bittles, chief investment strategist at Robert W. Baird & Co., which oversees \$105 **billion** in client assets, said investor expectations toward earnings "are so low, and declining every day, that it shouldn't be too difficult" for overall results to beat forecasts.

Alcoa Inc. unofficially kicked off earnings season when it reported after Tuesday's closing bell first-quarter adjusted earnings per share that exceeded analyst estimates. The aluminum **company's** stock closed Tuesday up 0.5%, then rose another 2.2% in after-hours trading.

"This is the day the market has been waiting for," said Jeffrey Kleintop, chief market strategist at broker-dealer LPL Financial. "This may not be a great quarter" for earnings, he said, but outlooks for the second quarter "could surprise to the upside" as companies likely saw business improve, along with the weather, at the end of the first quarter.

Despite the recent volatility in stocks, the S&P 500 was still up 0.2% on the year, while the Nasdaq was down just 1.5%.

Given that the economy continues to show improvement, and valuations in the broad market are still fair, "the fundamental backdrop is still favorable for stocks to continue to trend higher," U.S. Bank's Mr. Sandven said. "I like the risk-versus-reward [outlook for stocks] at these levels."

With no major economic data released Tuesday, the yield on the 10-year Treasury note inched lower, to 2.681% from 2.695% late Monday. **Gold** futures rose 0.8% to settle at \$1,308.70 an ounce.

Crude-**oil** futures climbed 2.1%, to \$102.56 a barrel, after the U.S. **Energy** Information Administration lowered its forecasts for U.S. **oil**-production growth in 2014 and 2015.

The dollar declined against the euro and the yen.

In Europe, the Stoxx Europe 600 slipped 0.3%, after falling 1.2% on Monday to snap a nine-session win streak.

Asian markets showed no real direction, as Japan's Nikkei Stock Average slid 1.4% while **China's** Shanghai Composite climbed 1.9%.

In corporate news, Tesla Motors rallied 3.8% after the **company** said it started offering a business leasing program for its small and medium-size business customers, which allows them to deduct the payments from their business taxes.

Tesla was among the recent highfliers hit hard over the past month amid worries over valuation. The stock has lost 12% over the last month, but was still up 43% since the start of the year.

Elsewhere, the U.S.-listed shares of Finnish mobile-phone **company** Nokia rallied 5% after it received **Chinese** regulatory approval for the **sale** of its handset business to Microsoft. Shares of Dow component Microsoft tacked on 0.1%.

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