Worries brushed aside



The Associated Press

Traders work on the floor of the New York Stock Exchange. Most Asian shares rose Friday, and Wall Street posted gains on the heels of strong growth and higher earnings.

Dow ends week up 362 points

Oracle earnings, higher economic growth drive Friday's gains

By Matthew Craft and Stan Choe
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NEW YORK — Stocks rose for the third straight day Friday, capping the best week for the Dow Jones industrial average since July.

The government said the economy grew at a 3.1 percent annual rate in the fourth quarter of 2010. That's slightly better than economists expected and higher than the estimate made last month.

Technology shares rose after business software giant Oracle Corp. reported a 78 percent jump in income late Thursday. The database software maker credited new software license sales and the benefit of three full months of revenue from Sun Microsystems, a company it acquired last year.

The Dow rose 50.03 points, or 0.4 percent, to close at 12,220.59. It gained 362 points for the week, the most since a 512-point jump during the week ending July 9.

The S&P 500 rose 4.14, or 0.3 percent, to 1,313.80. The Nasdaq rose 6.64 points, or 0.2 percent, to 2,743.06.

All three stock indexes gained more than 2 percent for the week, helping them erase losses following the March 11 earthquake that hit Japan. The week started with a 178.01 point jump for the Dow after AT&T Inc. agreed to buy T-Mobile USA for $39 billion. That raised hopes for more buyouts. Better economic reports and stronger earnings followed, driving more gains.

Investors were able to set aside a long list of worries including high oil prices, problems with Japan's nuclear reactors and fresh developments in Europe's debt crisis. Portugal looked likely to need bailout funds from the European Union after lawmakers rejected a plan to cut the country's debts, and the government fell.

Standard & Poor's lowered its credit rating on Portugal late Thursday.

Portugal's debt troubles aren't rattling U.S. stock investors because there's an assumption that the European Union will come to the country's aid, said Jack Ablin, chief investment officer of Harris Private Bank in Chicago. "There's really this notion that governments

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stand ready in Europe or elsewhere to come to the rescue," he said.

There's also little incentive to shift money into the safest of investments, like bonds, Ablin said. The benchmark 10-year Treasury currently pays 3.4 percent a year. Even with a recent bout of turbulence, the Dow has gained 5.6 percent this year. "In the short-term, taking risk pays."

The VIX, a measure of volatility for U.S. stocks, fell 27 percent over the week. That's the biggest one-week drop since August 2007.

Accenture Plc rose 4.5 percent to $54.29. The consulting firm's quarterly earnings jumped 22 percent on stronger revenue. Both its income and revenue beat analysts' expectations.

Research in Motion Ltd., the maker of the BlackBerry mobile device, fell 11 percent. Its profit jumped, but the company forecast earnings in the current quarter that were well below what analysts expected.

Two stocks rose for every one that fell on the New York Stock Exchange.