BUSINESS

Retailers' earnings lift stocks

News offsets worries about shaky consumer confidence, trade deficit

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NEW YORK —Encouraging earnings news from major retailers and The Walt Disney Co. drew investors back into the stock market to cap a second big week of gains.

The Dow Jones industrial average gained 73 Friday after falling 94 on Thursday. Major stock indexes rose more than 2 percent for the week.

Upbeat quarterly reports from Disney as well as Abercrombie & Fitch Co. and J.C. Penney Co. offset worries about a slide in consumer confidence.

Disney said late Thursday that higher revenue at its cable, broadcast and movie studio divisions helped drive profits up 18 percent. Abercrombie's results were better than expected, while J.C. Penney raised its earnings and sales forecasts.

The market stumbled briefly in morning trading after a report found that the mood of consumers darkened this month. The preliminary Reuters/University of Michigan consumer sentiment index for November came in at 66.0, down from 70.6 in October. That could bode poorly for the holiday shopping season.

Stocks rebounded after that report but later pared their gains as the dollar pulled off its lows of the day. The dollar's steady slide since March, due largely to record-low U.S. interest rates, has pushed stocks and commodities higher on hopes that it would help U.S. exports, which become cheaper overseas with the weak dollar.

Lawrence Creatura, equity market strategist and portfolio manager at Federated Clover Capital Advisors, said investors looked past the consumer confidence figure to focus on earnings reports because they are a more reliable indicator about the economy.

"It's probably safe to say that investors are rationally more focused on what consumers do rather than what they say," he said.

The Dow rose 73.00, or 0.7 percent, to 10,270.47. The Dow's drop Thursday broke a six-day winning streak, as oil prices tumbled following a drop in energy demand and a stronger dollar.

The broader Standard Poor's 500 index rose 6.2 or 0.6 percent, to 1,093.4 The Nasdaq composite dex rose 18.86, or 0.9 p cent, to 2,167.88.

For the week, the D rose 2.5 percent, af jumping 3.2 percent l week. The gains ha boosted the Dow's cli for the year to 17 perce after a slump in late Oc ber.

The S&P 500 index ro 2.3 percent for the we while the Nasdaq add 2.6 percent.

The ICE Futures US d lar index, which measur the dollar against oth currencies, fell Frid after rising for two days.