

PAUL SANCYA / The Associated Press

Caterpillar excavators tear down a high school in Detroit. Caterpillar said its profits rose 44 percent, but higher costs and cautious comments sent shares sliding.

Stocks escape week with gains

By Daniel Wagner and David K. Randall
THE ASSOCIATED PRESS

A big earnings miss from Caterpillar Friday wasn't enough to derail a rally that pushed the stock market up 2 percent for the week.

Caterpillar Inc. fell nearly 6 percent after the heavy equipment maker earned less than analysts were expecting last quarter, partly because of the earthquake and tsunami disaster in Japan.

The weaker results from Caterpillar and a continuing deadlock over raising the U.S. borrowing limit capped the stock market's gains. Overseas markets rose after European leaders reached a deal late Thursday to contain the region's debt crisis.

The Dow Jones industrial average fell 43.25 points. Even with the decline, the Dow gained 1.6 percent for the week. It has finished three out of the last four weeks higher than where it started.

The broader Standard & Poor's 500 index gained 1.22. It finished the week with a gain of 2.2 percent.

Energy, technology and consumer discretionary companies were the only three of the 10 industries tracked by the S&P 500 that rose.

Consumer discretionary companies include retailers like Amazon Inc. and restaurant chains like McDonalds.

Technology stocks rose broadly after Advanced Micro Devices Inc. reported strong second-quarter earnings.