Stocks post 2nd-best week in the past year

Traders seem optimistic Europe's debt problems will get resolved

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The Associated Press

NEW YORK — The stock market finished its second-best week in a year Friday as Europe's debt problems appeared to get closer to a resolution.

Stocks ended higher for a fifth straight day, the longest winning streak in two months. The Dow Jones industrial average rose 75 points after Treasury Secretary Timothy Geithner called on European finance ministers at a meeting in Poland to reach a solution on Greece's debt problems.

The Standard & Poor's 500 finished the week with a 5.4 percent gain. It was the biggest increase for the broad market index since the week that ended July 1.

The Dow Jones industrial average rose 75.91 points, or 0.7 percent, to close at 11,509.09. The Dow jumped 186 points Thursday, its biggest gain of the week, after five central banks said they would act together to support European lenders with unlimited dollar loans.



Trader George Ettinger works on the floor of the New York Stock Exchange on Friday. RICHARD DREW/AP

The S&P index gained 6.90, or 0.6 percent, to 1,216.01. The Nasdaq added 15.24, or 0.6 percent to 2,622.31.

Nine of the 10 company types in the S&P index rose. Energy companies fell 0.1 percent.

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Officials from countries that use the euro met in Poland to discuss solutions to the long-simmering debt problems affecting the region. The group said it would not decide until next month whether Greece has qualified for its next round of bailout money.

Investors had been hoping the question would be decided sooner.

Antony Conroy, head trader for BNY ConvergEx Group, said traders' sentiment was mixed. Some were picking up stocks they thought were undervalued, while others were selling because of long-term concerns about Europe.

"Even though we've had a good couple of days, people still believe there's a good chance that the credit crisis in Europe is going to cause something like a 2008 event," he said.

Stocks rose every day this week, their first five-day winning streak since July. They rose 4.7 percent this week but are still down 0.9 percent for the month. The S&P is down 0.2 percent in September.

In corporate news, Blackberry maker Research in Motion Ltd. plunged 19 percent to $23.93 after reporting sharply lower revenue and income. The company faces stiff competition from Apple Inc.'s iPhone and phones that use Google Inc.'s Android software. RIM has lost 59 percent of its value this year. The company said in July it would lay off 10 percent of its work force.

Netflix Inc. lost 26 percent over the past two days, $155.19, after the movie-rental company lowered its forecast of U.S. subscribers. Online retailer Ebay jumped 5 percent to $33.69 after an analyst upgraded the company because of expected growth in its PayPal division. Diamond Foods, maker of Pop Secret popcorn, soared 12 percent to $87.30 after its profits beat expectations.

Rising and falling shares were about even on the New York Stock Exchange. Volume was above average at 4.6 billion shares.