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Edward G. Scheier works the floor of the New York Stock Exchange. Stock futures inched higher, as traders were cautiously optimistic about some reports.

Markets headed for best September since '39

Deal news helps stocks recover from early losses

By Stephen Bernard
THE ASSOCIATED PRESS

NEW YORK — A late push gave stock indexes moderate gains Tuesday as investors brushed off news that consumer confidence dropped to its lowest level since February.

A big jump in earnings from Walgreen Co. and another corporate acquisition gave investors enough confidence to extend a four-week rally. Stocks were mixed for much of the day but struggled higher at the finish.

With only two trading days left in September, the Dow Jones industrial average is on track for its best September since 1939 with a gain of 8.4 percent in the month so far. It's still up only 4.1 percent for the year.

Stocks got off to a bad start after the Conference Board said its September reading on consumer confidence fell sharply from August and came in well below forecasts. Mostly positive readings from economic data on manufacturing, home sales and jobs have helped push stocks higher this month after a dismal performance in August.

Scott Rostan, founder of Training The Street, which provides courses in financial modeling and corporate valuation, said the small move in stocks compared to the big decline in confidence was indicative of a growing schism between consumers and traders.

Right now, traders are more focused on sentiment and confidence among corporate executives than consumers, he said.

Drug developer Endo Pharmaceuticals Holdings said Tuesday it will buy Qualitest Pharmaceuticals for $1.2 billion. That comes a day after major companies including Unilever NV and Southwest Airlines Co. announced deals. Wal-Mart Stores Inc. said it was pursuing buying a South African company.

Technology stocks were being dragged down on disappointment that Research in Motion Ltd. said it would not roll out its competitor to Apple Inc.'s iPad, called the PlayBook, until the beginning of 2011.