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Investors buy stocks as oil price drops

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The market's recovery remained alive Monday after a fall in the price of crude oil cooled one of investors' big fears.

The price of a barrel of oil fell \$1.73 to \$124.23, giving an excuse to buy stocks. The Dow Jones industrial average rose 130.43 points to 12,876.31. The Dow is still down 2.9% this year.

Helped by gains in stocks in the aluminum, construction materials, and refining and marketing industries, the benchmark Standard & Poor's 500 index rose 15.30 points to 1403.58. The S&P 500 is down 4.4% this year.

The tech-heavy Nasdaq also had a strong day, rising 42.97 points to 2488.49. That narrows the index's loss this year to 6.2%.

Oil prices have quickly replaced subprime loans as investors' primary concern, says **Joseph Saluzzi**, trader at **Themis Trading**. So even a slight decline in the price of crude gives stocks a vote of confidence, he says.

Investors were also encouraged by news Hewlett-Packard is in talks to buy technology outsourcing firm Electronic Data Systems, he says (story, 2B). "Anything that shows the smart money is buying assets is a good sign," Saluzzi says.

Still, investors such as Jennifer Ellison of Bingham Osborn & Scarborough are skeptical of the market's sudden strength that started in April. "We're probably not through this yet," she says.

Highlights: EDS gained \$5.27, or 28%, to \$24.13 on reports, which HP later confirmed, that it is considering being acquired by HP.

*Research In Motion, maker of the BlackBerry cellphone, gained \$9.20 to \$141.97. The company unveiled a new handset called the Bold, thought to be more advanced in some aspects than Apple's iPhone. (Technology Live, 3B.)

*Energy explorer Apache lost \$1.62 to \$134.05, falling along with other energy-related stocks because of the decline in the price of oil.

*Sprint Nextel fell 14 cents, or 1.5%, to \$9.24 after the wireless telecom carrier reported a quarterly loss of \$505million, which was deeper than its \$211million loss in the same quarter last year.

*U. S. Steel rose 91 cents to \$171.78, continuing a year-long run in steel stocks as global demand for the metal remains strong (story, 3B). AK Steel, another steel producer, rose 49 cents to \$69.19. Cleveland-Cliffs, which provides raw materials to the steel industry, rose 73 cents to \$180.55.