

# REUTERS

## Futures slightly higher on deal optimism

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By Kristina Cooke

NEW YORK (Reuters) - Stock index futures ticked higher on Thursday, helped by optimism about potential deals after CBS Corp said it would buy CNET Networks and billionaire investor Carl Icahn said he will run a dissident board slate for Yahoo Inc .

Shares of J.C. Penney Co Inc rose more than 2 percent to \$45.50 before the bell after the retailer posted a quarterly profit that topped Wall Street's forecasts

Icahn is moving ahead with plans to run a dissident board slate at Yahoo in a bid to force the Internet company to sell itself to Microsoft Corp .

Shares of Yahoo rose 2.2 percent. CNET shares rose more than 40 percent.

In other potential deal news, General Electric Co is looking to sell its appliance unit in an auction that could bring in \$5 billion to \$8 billion, The Wall Street Journal reported on its Web site on Wednesday. GE shares rose 1.3 percent to \$32.94 before the bell.

"You still want to see some more deals. It's starting to tell you that maybe there is some value out there, that maybe people are taking their money off the table," said **Joe Saluzzi**, co-manager of trading at **Themis Trading** in Chatham, New Jersey. "But this could just be some early morning buying. I would not be surprised if we sell off again later today. We are really stuck in a range here."

S&P 500 futures rose 3.5 points, above fair value, a mathematical formula that evaluates pricing by taking into account interest rates, dividends and time to expiration on the contract.

Dow Jones industrial average futures rose 24 points, and Nasdaq 100 futures rose 7.25 points.

A number of Federal Reserve officials, including chairman Ben Bernanke, are scheduled to speak at a conference in Chicago, and their words will be scrutinized for more clues on the outlook for interest rates.

But futures pared gains after a gauge of manufacturing in New York State was unexpectedly weak in May, while data showed jobless claims rose slightly more than expected in the latest week.

Also lurking in the background were concerns about the price of oil, which was above \$125 a barrel. High oil prices raise worries about inflation and the impact on consumer spending. UBS bank sharply raised its projection for oil prices and said inflation risks from rising crude costs would put a global economic recovery in 2009-2010 at risk.