

# REUTERS

## US STOCKS-Market rises on Lehman rebound, economic data

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(Updates to midday, changes byline)

By Jennifer Coogan

NEW YORK, June 4 (Reuters) - U.S. stocks rose on Wednesday after data showing unexpected resilience in private-sector employment and the sprawling services sector eased worries about a possible recession, while a rebound in Lehman Brothers Holdings Inc (LEH.N: [Quote](#), [Profile](#), [Research](#)) helped lift financial shares.

Lehman gained about 4 percent after a major bond fund manager, Dan Fuss at Loomis Sayles, said he had been buying debt of the Wall Street brokerage and considered its stock "dirt cheap."

The shares were upgraded by Merrill Lynch. Lehman had been a big drag early in the week, falling 18 percent since last Thursday on reports it was looking to raise new capital.

**"Lehman is still the focus of the day, and people are looking to see stability there," said Joe Saluzzi, co-manager of trading at Themis Trading in Chatham, New Jersey.**

The Dow Jones industrial average .DJI was up 56.10 points, or 0.45 percent, at 12,458.95. The Standard & Poor's 500 Index .SPX was up 5.92 points, or 0.43 percent, at 1,383.57. The Nasdaq Composite Index .IXIC was up 30.03 points, or 1.21 percent, at 2,510.51.

Further supporting the financial sector, credit card services company American Express Co (AXP.N: [Quote](#), [Profile](#), [Research](#)) rose 4.3 percent to \$46.24 after its chief executive said full-year profit could increase up to 6 percent. The forecast soothed investors as tighter credit conditions have caused loan losses to mount at many financial services companies.

One exception among financials was Bank of America (BAC.N: [Quote](#), [Profile](#), [Research](#)), whose stock fell after Merrill Lynch cut its earnings outlook on the No. 2 U.S. bank. For details see [ID:nBNG217876]. The stock fell 1.6 percent to \$32.16.

Economically sensitive stocks, such as communications equipment makers, were also on the rise after a report from ADP Employer Services showed an unexpected gain in private sector employment last month. The data is closely watched as a prelude to Friday's government non-farm payrolls report.

In addition, the Institute for Supply Management said its index of the U.S. services sector, which makes up the bulk of the economy, expanded for a second-straight month in May.

Shares of Qualcomm (QCOM.O: [Quote](#), [Profile](#), [Research](#)) were the top gainer on the Nasdaq 100, rising 2.5 percent to \$48.18. Network equipment maker Cisco Systems (CSCO.O: [Quote](#), [Profile](#), [Research](#)) shares rose 1.8 percent to \$26.81. Chip maker Intel Corp (INTC.O: [Quote](#), [Profile](#), [Research](#)) rose 2.4 percent to \$23.48. (Editing by Kenneth Barry)