

REUTERS

US STOCKS-Market up, but off peak, as bailout passes

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(Updates with reaction to House bailout vote)

NEW YORK, Oct 3 (Reuters) - U.S. stocks were higher but pared gains on Friday as financial shares came off their peaks due to profit-taking after passage of the \$700 billion financial sector bailout by the U.S. House of Representatives.

"We're not seeing much of a rally, though we expected a 'sell the news' reaction,' with the market selling off after a brief run-up. The key will be if we stabilize by the end of the day," said **Joe Saluzzi**, co-manager of trading at **Themis Trading** in Chatham, New Jersey.

The Dow Jones industrial average .DJI was up 121.14 points, or 1.16 percent, at 10,603.99. The Standard & Poor's 500 Index .SPX was up 17.07 points, or 1.53 percent, at 1,131.35. The Nasdaq Composite Index .IXIC was up 27.03 points, or 1.37 percent, at 2,003.75.

Before the House vote the indexes had risen by more than 3 percent.