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US STOCKS-Market rises in volatile trade after rate cuts

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Global central banks cut rates in coordinated move * Financial shares rise; traders cite bargain hunting

Dow up 1.2 pct, S&P 500 up 1.9 pct, Nasdaq up 2.2 pct (Updates to late afternoon)

By Kristina Cooke

NEW YORK, Oct 8 (Reuters) - U.S. stocks rose on Wednesday, as investors snapped up bargains after five straight days of losses, but trading was extremely volatile amid uncertainty about whether a coordinated worldwide cut in interest rates would be enough to avert a global recession.

Wall Street's favorite measure of investor fear, the Chicago Board Options Exchange Volatility Index <.VIX>, hit a record intraday high.

An S&P sub-index of financial shares <.GSPF> rose 2.3 percent, as investors scoured for beaten-down stocks. Traders noted that after the sharp sell-offs, a technical rally was long overdue.

"After five days of losses, we were due some sort of bounce back. But we'll see how long this lasts," said **Joe Saluzzi**, co-manager of trading at **Themis Trading** in Chatham, New Jersey.

The Dow Jones industrial average <.DJI> rose 99.08 points, or 1.05 percent, to 9,546.19, while the Standard & Poor's 500 Index <.SPX> was up 17.78 points, or 1.78 percent, at 1,014.01. The Nasdaq Composite Index <.IXIC> was up 36.32 points, or 2.07 percent, at 1,791.20.

Monsanto Co shares rose 16.7 percent to \$86.55 after the company posted a smaller quarterly loss on Wednesday as strong herbicide and seed sales helped offset seasonal slowness and research and development costs.

But Alcoa Inc shares fell 9.4 percent to \$15.14 after the Dow component reported lower-than-expected quarterly profit as demand softened in its key sectors. The company also said it was halting major capital projects in the face of uncertain markets.

Over the past 12 months, more than \$12.4 trillion of global stock market wealth has been wiped out, according to the market capitalization loss on MSCI's main world equity index. More than a third of that loss - about \$4.6 trillion -- has occurred in just the past three weeks since credit market turmoil deepened following the bankruptcy of U.S. investment bank Lehman Brothers.