

Proactive Investors Australia

22:19 02 May 2014

U.S. stocks slips on Ukraine woes despite early gains on jobs data

U.S. stocks Friday erased earlier gains prompted by the strong jobs data as troubling headlines from the Ukraine took their toll.

Within the last hour of trade in New York, the Dow Jones Industrial Average was down 44 points at 16,516, while the Nasdaq was flat at 4,127 and the S&P 500 edged lower by 2 points at 1,882. All three major indexes were still positioned to end the week higher, however.

The Labor Department reported this morning that nonfarm payroll employment in April grew by 288,000, far above consensus estimates for 215,000 and the biggest spike since January 2012, after increasing by an upwardly revised 203,000 in March.

The unemployment rate also dropped to 6.3%, blowing past expectations for a drop to 6.6%, compared to 6.7% in March.

There were some concerns, however, as the size of the labour force also sank by 806,000 in April, the biggest drop since a 848,000 plunge in October, painting a puzzling picture for investors. Though this likely reflects seasonal adjustment quirks.

At 10:00am ET, the government also said orders for goods in U.S. factories rose 1.1% in March, below expectations for a 1.5% increase, and compared to a revised 1.5% gain in February.

International news was also weighing on the U.S. trading session Friday as Ukrainian government forces launched an attack to retake the eastern city of Slaviansk from pro-Russian separatists, who have reportedly shot down at least one helicopter gunship.

The military attack came ahead of a meeting between President Obama and German Chancellor Angela Merkel today, with headlines from the meeting saying both the U.S. and Germany are united over Russia sanctions, with Russia facing increased isolation.

According to the latest reports, the United Nations Security Council will also hold an emergency meeting at noon Eastern to discuss Ukraine at the behest of Russia.

European markets ended mostly lower on Friday as the region digested two major economic reports, including eurozone manufacturing PMI that increased to 53.4 in April, and eurozone unemployment which remained at a high rate of 11.8% in March.

Corporate

Share Information

Code:

Listing:

ASX

Sector:

Media

Website:

Company Synopsis:

Proactive Investors is a global leader in financial news, media, research and events focusing on emerging growth companies across four continents.

action@proactiveinvestors.com

In corporate activity, Chevron (NYSE:CVX) led the list of companies reporting quarterly results this morning, with first quarter earnings per share falling to US\$2.36 from US\$3.18 a year ago, below estimates for US\$2.53 per share. Shares edged down.

LinkedIn (NYSE:LNKD) last night said it swung to a net loss as the online networking service increased its investments. Adjusted earnings beat estimates by four cents, however, and revenue jumped 46% to US\$473.19 million to also top forecasts. The company also provided light sales guidance, with shares down more than 7% on Friday.

Kraft Foods (NASDAQ:KRFT) late Thursday also reported results, beating estimates by nine cents with first quarter profit of US85 cents per share, though revenue was short of forecasts.

Expedia (NASDAQ:EXPE) shares were down more than 3.2% even though adjusted earnings and revenue beat estimates as sales of airline tickets and hotel nights increased.

In other stock news, Pfizer (NYSE:PFE) has raised its bid for AstraZeneca (NYSE:AZN) to US\$84.47 per share, in a cash-and-stock deal that values the UK drugmaker at US\$106.4 billion versus US\$100 billion previously. AstraZeneca has rejected the newest bid just hours after it was received, arguing it was still too low. Shares of the UK company inched lower in New York.

Bayer is reportedly in exclusive talks to buy Merck's (NYSE:MRK) consumer health business for around US\$14 billion, with a deal announcement likely to be made in the next few days.

General Motors (NYSE:GM) returned to bankruptcy court today, in a bid to fend off a rising tide of class action lawsuits against the company from its defective ignition switch recall linked to 13 deaths. The automaker is arguing that it should not be held liable for incidents prior to its exit from bankruptcy in 2009.

Berkshire Hathaway (NYSE:BRK.A) (NYSE:BRK.B) has agreed to acquire SNC Lavalin's AltaLink, the operator of electric transmission lines in Canada, for \$3.24 billion.

Commodities

In commodities, crude oil for June delivery added 34 cents, or 0.3%, to settle at US\$99.76 a barrel on the New York Mercantile Exchange. The gain was the first in three sessions, but the contract still ended the weekly with a loss of 0.8%, due in large part to hefty U.S. crude stockpiles.

Gold for June delivery jumped US\$19.50, or 1.5%, to settle at US\$1,302.90 an ounce on the Comex division of the New York Mercantile Exchange, rallying after reports on Russia and Ukraine, which offset the strong jobs report. The gold contract recorded a 0.2% weekly gain.

Proactive Investors Australia is the market leader in producing news, articles and research reports on ASX "Small and Mid-cap" stocks with distribution in Australia, UK, North America and Hong Kong / China.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.