BUSINESS NEWS

U.S. stocks bounce back as investors exit crude

Wall Street traded higher on Tuesday as markets recovered from the prior session’s losses and investors opted to put money back into stocks, even as crude oil turned lower on further doubts surrounding the deal among major oil producers to cut production.

At 12:13PM ET (17:13GMT), the Dow Jones gained 52 points, or 0.27%, the S&P 500 rose 9 points, or 0.39%, while the tech-heavy Nasdaq Composite traded up 29 points, or 0.53%.

The slight gains in U.S. equities came as investors picked up some bargains after the downturn on Monday that once again dashed hopes for the Dow to reach the 20,000 point mark.

Technology stocks remained strong with the Nasdaq Composite hitting yet another record high on Tuesday.

In a day with no major data points, small business optimism surged by the most since 1980 in December to reach a 12-year high.

The Job Openings and Labor Turnover Survey (JOLTS) showed that job openings rose less than expected, but the report continued to suggest a solid labor market.

Wholesale inventories in the meantime registered their largest increase in two years during the month of November in what could suggest that investment would support fourth quarter growth.

Still, the data paled in comparison to more important readings scheduled for Friday on December retail sales and January consumer sentiment.

Market participants also anticipated President-elect Donald Trump’s first press conference of the year on Wednesday to get a taste for the fiscal policies that he will try to implement after taking office on January 20.

Federal Reserve (Fed) chair Janet Yellen will also be in the spotlight on Thursday with her first scheduled appearance for the year.

On a slow company news day, Yahoo (NASDAQ:YHOO) announced late Monday that it would rename itself Altaba Inc and Chief Executive Officer Marissa Mayer would step down from the board in preparation for the closing of its deal with Verizon Communications (NYSE:VZ).

Chipotle Mexican Grill (NYSE:CMG) also caught attention after a 14.7% jump in December comparable store sales sent shares soaring nearly 6%.

U.S. shares of Valeant Pharmaceuticals (NYSE:VRX) (TO:VRX) were also close to 6% higher after L’Oréal (PA:OREP) announced it would buy three skincare brands from the Canadian-based firm for $1.3 billion.

With no major U.S. companies reporting earnings on Tuesday, investors were waiting for the quarterly reporting season to kick off in earnest on Friday with results from major banks such as JPMorgan Chase (NYSE:JPM), Bank of America (NYSE:BAC), Wells Fargo (NYSE:WFC) and PNC Financial (NYSE:PNC).

Analysts expect fourth-quarter earnings for S&P 500 companies will show an increase of 6.1% from a year ago.

Meanwhile, the rout in oil prices continued on Tuesday, despite an initial rebound from the their biggest one-day loss in six weeks in the prior session amid doubts over the implementation of a planned deal by global crude producers to scale back output.

Putting a further damper on hopes for the historic deal between OPEC and non-OPEC oil producers to cut output by nearly 1.8 million barrels per day, sources from Reuters reported that Iraq’s southern oil experts in the first nine days of the year were steady near a record high despite promises to reduce output.

Also placing bearish pressure on oil prices, media reports announced that Nigeria’s oil union planned to proceed with a three-day strike beginning on Wednesday.

U.S. crude futures slumped 10.92% to $51.48 by 12:14PM ET (17:15GMT), while Brent oil traded down 1.15% to $54.31.

MARKET WATCH - INDEX CHARTS

NASDAQ

S&P 500

DOW JONES

NIKEI 225