

MarketWatch

Stocks end 2-days of losses to finish higher as energy, financial sectors rally

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ISM services data grabs spotlight; Twitter rises, Salesforce falls



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It is a big week for jobs data.

U.S. stocks closed higher Wednesday, trading off session highs as they rebounded from losses of the past two sessions, fueled by rising oil prices. A resurgent services sector also helped to lift demand for equities and other assets perceived as risky.

The S&P 500 index SPX, -0.60% added 9.24 points, or 0.4%, to close at 2,159.73. The financials and energy sectors finished up 1.5% and 1.4%, respectively, while telecom, utilities and real estate, weighed on the index.

The Dow Jones Industrial Average DJIA, -0.49% finished up 112.58 points, or 0.6%, at 18,281.03, topped by more than 2% gains in both **Caterpillar Inc.** CAT, -1.22% and **Goldman Sachs Group Inc.** GS, +0.51% **Verizon Communications Inc.** VZ, -0.32% which closed down 0.8%, was the average's worst performer. For the week so far, the blue-chip average is down 0.2%, and the S&P 500 is down 0.4%.

The Nasdaq Composite Index COMP, -0.65% rose 26.36 points, or 0.5%, to end at 5,316.02, and is up 0.1% for the week to date.

Wednesday marked the first finish in positive territory for the main U.S. stock-index benchmarks this week.

Firm gains were partially fueled by a strong reading from the Institute for Supply Management, which said its services index rocketed to a reading of 57.1, up from 51.4 in August. A similar report from data provider Markit, which isn't as widely followed, showed a smaller gain.

It was "one of the better ISM services prints of this entire expansion," said Mike Antonelli, equity sales trader at R.W. Baird & Co.

The data helped to support expectations that the Federal Reserve will raise interest rates before the end of the year, sparking a rally in financial shares, Antonelli said. Higher interest rates would help boost profits in banks' lending businesses.

"ISM services was very strong overall and had good numbers," said **Mark Kepner**, managing director of sales and trading at **Themis Trading**. If that's combined with a strong jobs report on Friday, that gives the Federal Reserve what it takes for a rate hike this year, Kepner said.

U.S.-traded oil futures CLX6, -1.29% flirted with \$50 a barrel for the first time since June, settling up 2.3% at \$49.83 a barrel. Some of day's best-performing stocks were energy firms, including **Chesapeake Energy Corp.** CHK, -3.53% which led the S&P 500 with shares closing up 6.8%, and **Transocean Ltd.** RIG, +0.30% with shares up 5.9%.