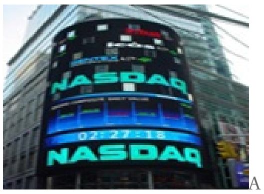
UNANTICIPATED GAINS IN RETAIL SALES THROW ROPE TO US STOCKS TO SCALE HEIGHTS



A beyond expectations increase in retail sales has reinforced and fuelled hope and enthusiasm about the US economy. Most US stocks advanced, inspite of the biggest weekly loss for the Standard and Poor's 500 Index in 2012. With its fixed-income trading revenue more than doubling, Citigroup Inc. climbed by 1.8 percent and the world's largest consumer products company, Proctor & Gamble Co raised its quarterly dividend having gained 1.5 percent. However, Apple Inc. went down by 4.2 percent, on apprehension that mobile-phone carriers may cut subsidies for the iPhone and Mattel Inc., the world's biggest toymakers, owing to a drop in estimated sales, dropped 9.1 percent. Matt McCormick of Bahl & Gaynor Inc. in Cincinnati allays fears of Apple's slump saying, "Apple is ubiquitous, it's well-owned, it's had a huge run up and people are taking some profits. If you're concerned about the market being choppy, you look at positions that had the biggest gains and Apple would clearly be one of those candidates." Apple's stock market performance greatly influence the price of Nasdaq-100, as it accounts for nearly 19 percent of its value, more than double Microsoft's valuation. Baltimore based, Lutz, presumes that, "Apple shares may be down in part because of Nasdaq OMX's decision. For every five stocks that fell, six stocks rose and 6.4 billion shares were traded. Wall Street's sources reveal that the S&P 500 decreased 0.1 percent to 1,369.57. The Dow Jones Industrial Average gained 71.82 points, or 0.6 percent, to 12,921.41. The Nasdaq Composite Index, which has advanced 15 percent in 2012, retreated 0.8 percent to 2,988.40 today. Eric Teal, Raleigh, North Carolina-based chief investment officer at First Citizens Bancshares Inc., said, "The U.S. economic recovery looks intact. Earnings will continue to grind higher. That explains the market resilience." Estimates compiled by Bloomberg show that retail sales rose by 0.8 percent and were three times more than expected. Profit per share at S&P 500 companies rose 1.7 percent in the first quarter and the S&P 500 swung between gains and losses as banks rallied, while technology shares fell. Goldman Sachs Group Inc.'s Peter Oppenheimer says that the current U.S. stocks scenario offered 'a once-in-a-generation buying opportunity,' Morgan Stanley's Adam Parker has advised caution, saying "Federal Reserve stimulus that has led the fixed-income rally can't last forever." Ward, who helps oversee $35 billion, said in a telephonic interview, "Capital will chase returns. There's a tremendous shortage of investment income and there are fewer places to go to generate that. Stocks are to a large extent the only game in town for earning a respectable return."