

Wall Street: Stuck in neutral

Indexes turn mixed as investors keep guessing about what the Fed will do with interest rates; oil climbs towards \$69.

By [David Ellis](#), CNNMoney.com staff writer

June 18, 2007 -- Stocks were little changed Monday after a two-week rollercoaster ride, as investors kept a close eye on both rising oil prices and Treasury yields.

The Dow Jones industrial average was flat with 2-1/2 hours remaining in the session. The broader S&P 500 index edged higher.

The tech-laden Nasdaq composite rose 0.1 percent.

After a string of losing sessions, U.S. markets capped last week with a three-day rally, helped by easing bond yields and tame inflation readings both at the wholesale and consumer level.

Investors have speculated recently that the Federal Reserve will have to raise interest rates sometime this year due to strong economic growth and greater inflationary pressure. Those fears prompted a selloff last week in the Treasury market that put yields at a five-year high.

[Bonds: The worst may be over](#)

With no major economic readings issued Monday and few reports slated for release later this week, investors looking for clues about the future direction of interest rates may shift their attention to rising energy prices and their impact on inflation, said Alan Lancz, money manager and editor of Lancz Letter.

"Energy prices have been inching up off the radar chart," said Lancz. "(It) is a big tax on the consumer that could rear its ugly head again."

Last Friday oil prices moved to their highest level in nine months following violence in the Middle East and supply fears from U.S. refineries.

U.S. light crude for July delivery climbed 70 cents Monday to \$68.70 a barrel.

Alcoa was one of the few Dow 30 advancers following a report by the *Times* of London that mining group BHP Billiton is reconsidering a takeover bid for the aluminum producer.

In other corporate news, the fast-food chain Wendy's said Monday it was exploring a possible sale of the company and also cut its 2007 earnings forecast, sending the stock down more than 3 percent.

Boeing rival Airbus collected a number of plane orders at the Paris Air Show, including an \$8 billion deal with U.S. carrier US Airways.

British media outfit Pearson is in talks with General Electric about a joint bid for *Wall Street Journal* publisher Dow Jones that would permit the controlling Bancroft family to keep a minority interest, according to a report published Sunday afternoon.

Shares of the retail footwear firm Genesco Inc., which operates the Journeys chain, soared Monday after fellow retailer Finish Line Inc. said it would purchase the company for about \$1.5 billion.

In the only economic news of the day, U.S. home builder sentiment fell to its lowest level in over 16 years, the National Association of Home Builders said Monday, citing rising mortgage rates and more strict lending practices.

Bond prices moved slightly higher, pushing up the benchmark 10-year yield to 5.15 percent down from 5.16 percent late Friday. Bond prices and yields move in opposite directions.

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In currency trading, the dollar eased against the euro, but was higher versus the yen.

Market breadth was positive, as gainers edged out losers on the New York Stock Exchange on volume of 679 million shares. On the Nasdaq, advancers barely beat decliners as 1.01 billion shares changed hands.

COMEX gold for August delivery added \$1.10 to \$659.80 an ounce.

Asian markets finished sharply higher Monday, with Japan's benchmark Nikkei index climbing about 1 percent to a three-month high. In Europe trading, stocks finished slightly lower.