



Wall Street Bargain Hunts

Andrew Farrell, 01.07.08, 3:15 PM ET

Investors hunted for bargains Monday after last week's sell-off, while eagerly awaiting a speech from the Federal Reserve Chairman. Wall Street hopes to receive indications from him later this week that the Fed is ready to cut interest rates.

Stocks edged slightly higher in early afternoon trading. The Dow Jones industrial average gained 0.1%, or 13.41, to 12,813, 59.

Alan B. Lancz, director of investment research firm Lancz & Associates, said investors were bargain hunting in hopes that stocks had bottomed after a steep Friday sell-off. "I think its just a little technical bounce," he said. "We tested some support areas this morning and held and that probably enthused some investors."

Stocks eked out gains despite more woes in the financial sector. Jefferies Group released preliminary fourth-quarter earnings that undershot expectations. Shares of the investment bank and securities firm plummeted \$1.47, or 7.4%, to \$18.32. (See: "Jefferies Plummet On Weak Predictions")

Shares of Credit Suisse also dropped. They fell \$1.24, or 2.1%, to \$57.38, on concerns that the Swiss bank could soon announce big write-downs. A published report said the company faces write-downs of 2.5 billion Swiss francs (\$2.2 billion) in the fourth quarter. (See: "Write-down Rumors Hit Credit Suisse")

Many investors are eagerly awaiting a Thursday speech from Federal Reserve Chairman Ben Bernanke. They are hoping for indications the Fed will further cut interest rates at the end of January.

"A 50-basis-point cut is in order," said Lancz. "But if Bernanke sounds like that's not a certainty and he starts expressing concerns with inflation, the people that are buying today could be selling."

In Friday afternoon trading, the dollar gained 0.4% against the Euro. Ten-year treasuries fell 3 basis points to 3.84%.