

Briefs: S&P downgrades Yahoo! to hold from buy

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Standard & Poor's Wednesday downgraded its assessment of Yahoo! shares from buy to hold.

The downgrade is based on valuation at \$42.78 per share in the Internet search engine.

"After a rise in Yahoo! shares by some 33 percent since Sept. 21, we now see upside potential as more limited," Scott Kessler, an equity analyst at the credit-rating agency, said in a news release. S&P had anticipated Yahoo! shares going up to \$45.

"We think Yahoo!'s notable exposure to stock options could be construed unfavourably as 2006 approaches; the company will have to begin expensing them next year," Kessler added.

Nonetheless, Kessler remained broadly upbeat about the company, stating that Yahoo! "is a prime beneficiary of online advertising growth."

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