

Facebook stock jumps 7.7% after Zuckerberg's comments

September 13 2012, by Jessica Guynn

They're calling it the Mark Zuckerberg bump. Facebook's stock didn't skyrocket, but it did rise nicely the day after Facebook's chief executive broke his silence and publicly proclaimed that he cares about its shareholders.

Zuckerberg's appearance at the [TechCrunch](#) Disrupt conference in [San Francisco](#) marked his first interview since [Facebook](#)'s disastrous debut as a public company in May. Since then, the [stock](#) has lost about half of its value.

The stock rose \$1.50, or 7.7 percent, to \$20.93 in trading Wednesday.

"He said what he needed to: He and Facebook care about shareholders, he is aware of and troubled by the low [share price](#), he appears to believe the stock is undervalued, and appears to understand that he has to communicate Facebook's strategy more clearly going forward," Wedbush Securities analyst Michael Pachter said.

Other analysts concurred.

"He explained past missteps and challenges related to mobile and provided reasons for related optimism," S&P Capital IQ equity analyst Scott Kessler wrote in a research note to investors.

The appearance was part of Facebook's orchestrated effort to buck up confidence on Wall Street and quiet persistent questions about whether

Zuckerberg, 28, should be leading Facebook.

Zuckerberg made bullish comments about the company's mobile business while acknowledging strategic missteps.

"Zuckerberg indicated that Facebook and its mobile potential are being underestimated," JPMorgan analyst Doug Anmuth wrote in a research report. He said the remarks were "incrementally positive."

Zuckerberg also signaled that Facebook might get into the search business, a move that would ratchet up competition with rival Google. He said Facebook already processes about 1 billion search queries a day without "even trying."

He also said Facebook had no plans to get into the hardware business and make its own phone.

"It was good to see Zuckerberg publicly present, and we think it is critical for investors to hear more directly from him," Macquarie Securities analyst Ben Schachter wrote in a research note. "While none of his comments led us to change our financial model for the company, better understanding Zuckerberg's priorities, motivation and general focus is a positive for investors."

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