

# US stocks rise sharply in Black Friday retail rush

November 23 2012, by Daniel Wagner

---

U.S. stocks rose solidly on Black Friday, the unofficial start of the holiday shopping season. Traders were encouraged by positive economic news from Germany and China, two engines of global growth.

The [Dow Jones industrial average](#) was up 121 points at 12,957 after an hour of trading, on track for its best weekly percentage gain since early June. The Standard & Poor's 500 index rose 13 to 1,404. The Nasdaq composite index gained 31 to 2,957.

German business confidence rose unexpectedly in November after six straight declines, a closely watched survey showed, raising hopes that Europe's largest economy can continue to weather the continent's financial crisis.

Munich's Ifo institute said its key business climate figure rose to 101.4 in November from 100 in October. Economists had predicted a modest drop.

[China](#)'s manufacturing expanded for the first time in 13 months in November, the latest sign that the world's second-biggest economy is recovering from its deepest slump since the 2008 global crisis. HSBC Corp. said its monthly Purchasing Managers' Index improved to 50.4 for November. Any number above 50 indicates expansion.

The PMI measures overall manufacturing activity by surveying indicators including orders, employment and production. The result was

released Thursday, when the U.S. market was closed for Thanksgiving.

Around the U.S., shoppers flocked to malls and logged on to computers to take part in the annual cheer-fueled retail rush known as Black Friday.

Many stores opened earlier than ever. Target and Toys R Us opened on Thanksgiving evening. Retailers are also trying to draw shoppers with free layaway and shipping, by matching prices of online rivals and by beefing up mobile shopping apps.

Retail is a key driver of the U.S. economy. Consumer spending accounts for about 70 percent of the nation's economic activity. November and December, which can account for as much as 40 percent of a retailer's annual revenue, are crucial for stores.

The Friday after Thanksgiving, known as [Black Friday](#), is a day in which retail stores have enough sales to put them "in the black"—an accounting expression alluding to the practice of recording losses in red and profits in black. Traders will be looking for signs about how enthusiastically Americans are spending. That could reflect the momentum of the economic recovery.

Trading volume on Wall Street was light, with many investors away for an extended weekend after Thanksgiving. The market was to close early, at 1 p.m. EST (1800 GMT).

Investors are monitoring developments in Brussels, where European Union leaders are trying to agree on a \$1.25 trillion long-term spending plan for the 27-nation bloc. Markets expect that another meeting will be needed for an agreement.

Among the stocks making big moves:

— Research in Motion Ltd. jumped on growing optimism for an earlier-than-expected launch of its delayed BlackBerry 10 smartphone. A senior executive from the Canadian company said earlier this month that Research In Motion, or RIM, will release the latest version of its smartphone "not long after" a Jan. 30 event. One analyst saw that as an indication that the products are to be unveiled in February. U.S.-traded shares of RIM rose \$1.20, or 12 percent, to \$11.46.

— MAP Pharmaceuticals spiked after the company announced that the Food and Drug Administration will review its experimental migraine drug Levadex. The [stock](#) rose \$2.28, or 18 percent, to \$15.10.

— KIT Digital Inc., a video software and technology company, lost more than half its value after the company's former chief executive accused it of blaming prior management for its financial problems. Two days earlier, KIT said it would restate its financial results because of accounting errors. The stock lost \$1.27, or 61 percent to 80 cents.

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: US stocks rise sharply in Black Friday retail rush (2012, November 23) retrieved 26 April 2024 from <https://phys.org/news/2012-11-stocks-sharply-black-friday-retail.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.