Beat: Business

Wall Street edges higher with focus on Fed

BUSINESS NEWS

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USPA NEWS - U.S. stocks edged higher on Tuesday, with help from Twitter and media stocks, as investors looked past a historic U.S.-North Korea summit and focused on the Federal Reserve´s policy meeting.

President Donald Trump and North Korean leader Kim Jong Un pledged to work toward complete denuclearization of the Korean peninsula, but their joint statement gave few details on how the goal would be achieved.

While defense stocks such as Raytheon, Lockheed Martin and Northrop Grumman took a hit, the broader markets saw little impact.

“Equities are really looking past the trade and geopolitical issues, and the focus is more on fundamentals,“ said Terry Sandven, chief equity strategist, U.S. Bank Wealth Management in Minneapolis.

At 13:06 ET, the Dow Jones Industrial Average was up 4.86 points, or 0.02 percent, at 25,327.17 and the S&P 500 was up 5.74 points, or 0.21 percent, at 2,787.74.

The Nasdaq Composite was up 45.33 points, or 0.59 percent, at 7,705.26, after hitting an intraday record high.

Twitter surged 6.8 percent and was the biggest gainer on the S&P 500, after J.P. Morgan raised its price target on the stock by $11 to $50, saying it was confident about the company´s advertising revenue growth.

A court ruling that would decide the fate of AT&T´s Inc $85 billion offer for Time Warner is awaited after the closing bell.

Charter Communications jumped 3.1 percent, leading gains on the S&P media index, which was up 0.7 percent.

Tesla rose 6.8 percent after Keybanc raised its estimates for Model 3 deliveries for the second quarter and the full year.

The Fed is widely expected to raise interest rates for the second time this year, when it concludes its policy meeting on Wednesday.

With borrowing costs returning to more normal levels, investors are focused on how the Fed characterizes its monetary policy, while looking for hints if it would move to raise rates three or four times this year.

Data on Tuesday showed U.S. consumer prices rose marginally in May as gasoline price increases slowed and the underlying trend continued to suggest moderate inflation in the economy.

“The macro environment remains in a Goldilocks-like zone, technical trendlines are improving and performance is becoming more broad-based, and that typically presents a favorable backdrop for stocks to trend higher,“ Sandven said.

Advancing issues outnumbered decliners for a 1.23-to-1 ratio on the NYSE and for a 1.43-to-1 ratio on the Nasdaq.

The S&P index recorded 38 new 52-week highs and two new lows, while the Nasdaq recorded 132 new highs and 21 new lows.

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