

Stocks finish slightly higher despite housing data

By Stephen Bernard and Sara Lepro

Stocks ended an erratic session with a slender gain Wednesday as rising commodities prices offset disappointment over an unexpected drop in home sales.

Gains in commodities drove the shares of energy and materials-producing companies higher, helping to underpin the overall stock market. Gold, oil and other commodities rose as the dollar dropped.

The dollar snapped a four-day winning streak as the latest economic data reinforced investors' belief that the recovery will be slow.

The Commerce Department said sales of new homes plunged 11.3 percent in November to their lowest level since March. The slump was disappointing for two reasons — economists had forecast an increase, and the news came a day after stocks climbed higher on a separate report showing a better-than-expected gain in sales of existing homes last month.

Analysts noted that existing home sales have been cannibalizing the sales of new homes somewhat as steep discounts on distressed and foreclosed properties ramp up sales volume.

The weakness in housing followed news that personal spending and income both rose in November. However, economists say growth remains too weak to sustain a strong economic recovery.

Volume was light as investors closed up shop ahead of the Christmas holiday. The market will be open a half day on Thursday and closed on Friday.

Those still trading aren't making any major moves as the year winds to a close. The Standard & Poor's 500 index is now up 24.1 percent for the year.

"People are not doing any new trading," said Benny Lorenzo, CEO of New York-based Kaufman Brothers. "They are just holding on to their gains for the year."

According to preliminary calculations, the Dow Jones industrial average rose 1.51, or 0.01 percent, to 10,466.44. The Standard & Poor's 500 index rose 2.57, or 0.2 percent, to 1,120.59, while the Nasdaq composite index gained 16.97, or 0.8 percent, to 2,269.64.