

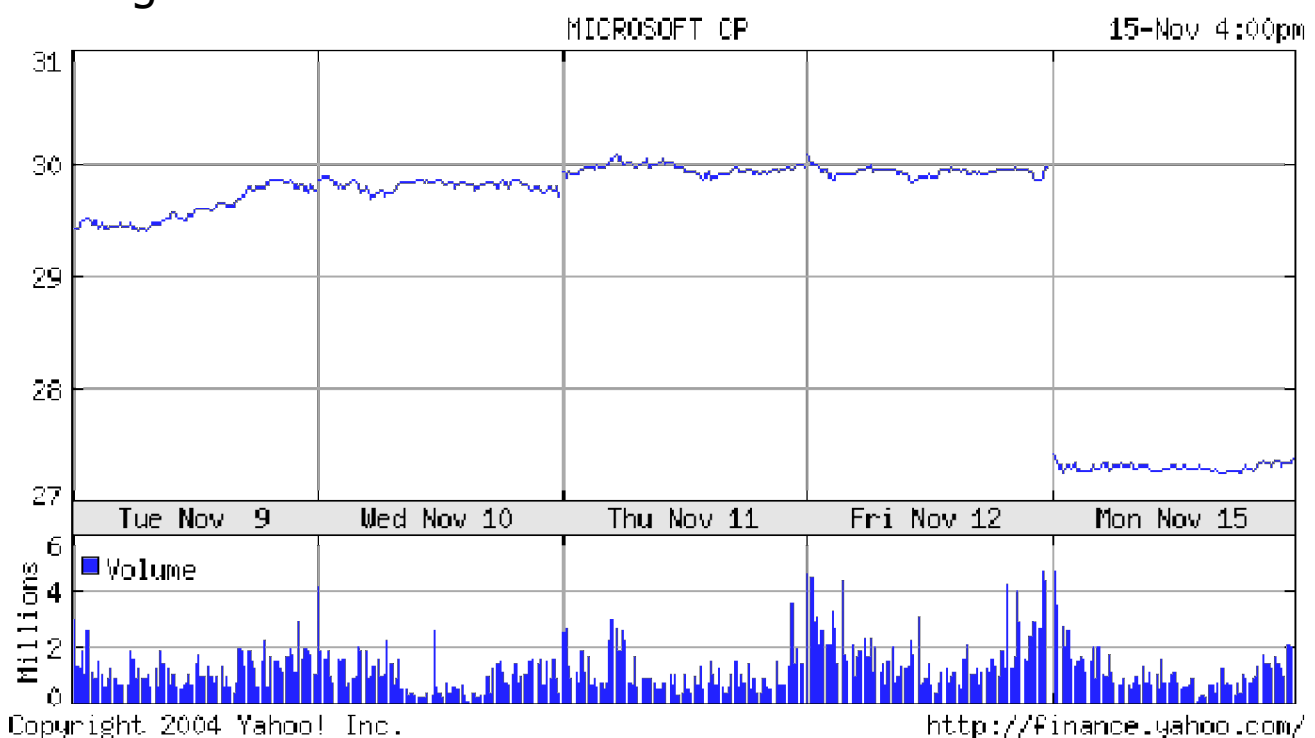
Stocks End Flat, Microsoft Lifts Techs

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By Anna Driver

NEW YORK (Reuters) - U.S. stocks closed little changed on Monday as investors paused for breath following significant gains in the market so far this month, while lower oil prices weighed on energy shares, including Exxon Mobil Corp. (NYSE:XOM - News).

Microsoft Corp. (NasdaqNM:MSFT - News), which began trading ex-dividend



during the session, was a boost to technology stocks. In December, Microsoft will pay out the largest corporate dividend ever of \$32 billion, or \$3 a share.

In November, the Dow Jones industrial average is up 5 percent, while the tech-heavy Nasdaq is up nearly 6 percent, and the Standard & Poor's 500 index is up almost 5 percent.

The Dow (^DJI - News) ended up 11.23 points, or 0.11 percent, at 10,550.24 and the S&P closed (CBOE:^SPX - News) down 0.36 points, or 0.03 percent, at 1,183.81. The Nasdaq Composite Index (NasdaqSC:^IXIC - News) finished up 8.75

points, or 0.42 percent, at 2,094.09.

Trading was active, with 1.4 billion shares changing hands on the New York Stock Exchange, equal to the 1.4 billion daily average for last year. About 1.9 billion shares were traded on Nasdaq, above the 1.69 billion daily average last year.

Slightly more stocks rose for every one that declined on both the NYSE and Nasdaq.

"It's very important that the market didn't give back a good chunk of the recent gains back right away," Marc Pado, U.S. market strategist from Cantor Fitzgerald & Co., said. "Everyone expects a little profit-taking, consolidation and sector rotation but you don't want to turnaround and give back 50 percent of the gains you saw on Friday. And we're still seeing solid leadership from technology stocks."

Energy stocks, however, including Exxon and ChevronTexaco Corp. (NYSE:CVX - News), fell as crude oil futures dropped to an eight-week low on forecasts for warmer weather in the United States and as a union in OPEC member Nigeria suspended a general strike. Oil prices, which at one point came close to \$45 a barrel, recouped some losses. The December futures contract fell only 45 cents to settle at \$46.87 a barrel.

Software maker Microsoft rose nearly 2 percent to \$27.39 on the Nasdaq. Microsoft closed at \$29.97 on Friday, the last day investors could buy the stock and get the dividend.

American International Group Inc. (NYSE:AIG - News) and Wal-Mart Stores Inc. (NYSE:WMT - News) lifted blue chips.

Dow component AIG is close to completing a deal with U.S. regulators to resolve an investigation into whether it helped PNC Financial Services Group Inc. (NYSE:PNC - News) with accounting fraud, The Wall Street Journal reported. The insurer's shares rose about 3 percent, or \$1.81, to \$62.84 on the NYSE.

Shares of Wal-Mart advanced 1.5 percent, or 85 cents, to \$57.70, ahead of its third-quarter results due on Tuesday.

Exxon ended down 85 cents, or 1.7 percent, at \$49.58 and Chevron fell \$1.60, or 2.9 percent, to \$52.97 on the NYSE.

Shares of Lowe's Cos. (NYSE:LOW - News) fell 1.7 percent, or \$1.00, to \$59.25 after the No. 2 home improvement retailer said it expected fourth-quarter earnings to be slightly below or in line with analysts' estimates.

In contrast, shares of its rival, Home Depot Inc. (NYSE:HD - News) rose 57 cents, or 1.3 percent, to \$43.79.

News of two mergers also provided investors with evidence that corporate America has enough confidence in the economy to go through with sizable deals.

General Electric Co. (NYSE:GE - News) said it would buy SPX Corp.'s (NYSE:SPW - News) Edwards System Technology fire and security business. SPX rose 1.2 percent to \$44.21, but GE shares ended down 15 cents at \$36.10.

Meanwhile, Wm. Wrigley Jr. Co. (NYSE:WWY - News) said it is buying the Life Savers and Altoids candy and mints businesses from Kraft Foods Inc. (NYSE:KFT - News). Wrigley rose 1 percent, or 72 cents, to \$68.08, while Kraft slipped 20 cents to \$34.68.