



## **Stock rally fizzles after news from Bernanke, Fannie Mae**

February 27, 2008--A down-up-down-up-down day for stocks. The Dow Jones and Nasdaq hung on to single-digit gains by the closing bell, while the S&P 500 ended a point below break-even.

The day's market movers were the Fed chairman's rate-cut hint, news that loan caps are being lifted on Fannie Mae (below) — and profit-taking.

One money manager said Bernanke is "finally getting it" by focusing more on boosting the economy than on inflation. The Fed meets again March 18 and is expected to cut interest rates an additional half-point.

"We all know inflation is back to a degree but they've all said that inflation won't keep the Fed from lowering rates further," Harry Clark, head of Clark Capital Management, told AP.

Bloomberg has more on the volatile day, which saw the dollar hit a record low against the euro — \$1.51 — on speculation of further rate cuts amid rising inflation/stagflation.