

Market News

February 7, 2012 (Reuters) - Stocks were poised for a lower open on Tuesday, indicating equities may fall for a second consecutive session, as talks to secure a new bailout for Greece and avoid an unruly default had yet to produce definitive results.

Greek Prime Minister Lucas Papademos negotiated through most of the night with lenders from the European Union and International Monetary Fund over more fiscal reforms as trade unions staged a national strike against more cuts.

A Greek government official said the nation is preparing the text of an agreement on a 130-billion euro bailout that must be put to political leaders for approval, suggesting Athens had neared completion of talks with lenders.

"Markets would love to see some certainty, and we don't have any of that at the moment," said Frank Lesh, a futures analyst and broker at FuturePath Trading LLC in Chicago.

"On the equities side, we've come a long way, and we are getting into overbought territory, so most of us are expecting a bit of a pullback or a period of consolidation - the depth of the pullback really depends on Greece and the European debt problems."

A disorderly Greece debt default could lead to increased fiscal problems for weaker members of the euro zone and dampen the U.S. recovery.

European shares fell on the Greece talks and after disappointing results from investment bank UBS AG (UBSN.VX)(UBS.N) and shipbuilder Alfa Laval AB (ALFA.ST). The FTSEurofirst 300 finance/markets/index?symbol=gb%21FTPP">.FTEU3 index of top European shares was down 0.5 percent. .EU

The benchmark S&P index had risen for five straight weeks on the back of improving U.S. economic data, punctuated by the Friday payrolls report, to lift the index up almost 7 percent for the year. A light economic calendar this week has shifted investor focus back to the euro zone.

S&P 500 futures fell 3.5 points and were below fair value, a formula that evaluates pricing by taking into account interest rates, dividends and time to expiration on the contract. Dow Jones industrial average futures lost 5 points, and Nasdaq 100 futures dropped 5.5 points.

Coca-Cola Co (KO.N) climbed 1.1 percent to \$68.75 in premarket after the soft-drink maker reported better-than-expected quarterly results and announced a new cost-savings program.

As earnings season winds down, investors awaited results from companies including Lincoln National Corp (LNC.N) and Walt Disney Co (DIS.N).

Emerson Electric Co (EMR.N) dipped 2.6 percent to \$52 in premarket trade after it reported lower quarterly sales and earnings as last year's floods in Thailand disrupted supply chains and weak European economies hurt demand.

According to Thomson Reuters data through Tuesday morning, of the 301 companies in the S&P 500 posting results, 60 percent topped expectations, tracking below recent quarters at this point of the reporting season.

UBS predicted more weakness in investment banking after a restructuring of the business failed to prevent an earnings hit from the euro-zone debt crisis and worries about the global economy. Shares dipped 1.2 percent to \$14.20 in New York premarket trade.

ArcelorMittal (MT.N)(ISPA.AS) forecast improvement in the first half of 2012 after a weak end to last year, with a clear pick-up in North America but continued concerns about Europe. U.S.-listed shares of the world's largest steelmaker rose 2.2 percent

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to \$21.91 premarket.

Toyota Motor Co (TM.N)(7203.T) U.S.-listed shares gained 2.4 percent to \$79.57 after the automaker raised its full-year profit forecast by more than one-third, though the outlook was still some way below market expectations.

Federal Reserve Chairman Ben Bernanke is set to testify before the Senate Budget Committee in Washington, D.C., at 10 a.m. (1500 GMT).

(Editing by Padraic Cassidy)

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