

Tech sector ekes out gains, as Palm soars

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SAN FRANCISCO (MarketWatch) -- Technology stocks edged higher Friday, as shares of Palm Inc. soared on a report that cell-phone maker HTC is interested in a possible acquisition.

The Nasdaq Composite Index [COMP, +0.29%](#) gained 17 points, or 0.7%, to close at 2,454. The tech benchmark ended the week up 2.1%.

The session was highlighted by gains in shares of Palm [PALM, +0.00%](#) which jumped 11% on a Chinese media report about HTC's interest in buying the struggling handset maker.

Chip makers also powered the sector rally as the Philadelphia Semiconductor Index [SOX, +0.05%](#) rose 1.15% on gains from Intel Corp. [INTC, -0.03%](#) and SanDisk Corp. [SNDK, -0.49%](#)

However, Advanced Micro Devices Inc. [AMD, +0.24%](#) was down 1.3%.

Intel and AMD are scheduled to report results next week, kicking off the tech earnings season, as analysts continued to figure out the trajectory of the chip market following one of the most severe downturns in its history.

"Enterprise and mobile will continue to drive strong semiconductor sales," Charter Equity analyst Edward Snyder said in a note this week.

"The desire to be the first to call the top to the semiconductor cycle has pushed several analysts to guess, incorrectly, that inventory is overshooting demand and double ordering is prevalent," Snyder added. "Neither is true and the repetition of this mantra from its first recitation last summer has proven just as hollow."

Other major tech players posted gains, including Oracle Corp. [ORCL, +0.24%](#) Cisco Systems Inc. [CSCO, +0.45%](#) and Microsoft Corp. [MSFT, -0.37%](#)

15 minutes for Nasdaq, and 20 minutes for other exchanges. S&P/Dow Jones Indices (SM) from Dow Jones & Company, Inc. SEHK intraday data is provided by SIX Financial Information and is at least 60-minutes delayed. All quotes are in local exchange time.