

## EMC, Western Digital, chips lift techs

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SAN FRANCISCO (MarketWatch) — Shares of EMC Corp. and Western Digital Corp. jumped Tuesday on the companies' strong results, as chip stocks also lifted the tech sector after Texas Instruments signaled a coming rebound.

### All eyes on Apple earnings

(4:55)

Apple reports after the bell today, and analysts are waiting to see how sales of the iPad and iPhone are holding up against rival Kindle and Android phones, Rolfe Winkler reports on Markets Hub. (AP Photo/Seth Perlman)

TI [TXN, +0.25%](#) Chief Financial Officer Kevin March affirmed that view Tuesday morning, saying in an interview, "We're seeing the classic signs of a bottom. ... To the extent that history has been a good predictor, we take those signs to point to the fact that we're probably at the bottom now."

TI shares jumped late Monday after its earnings report, but the stock slipped 2% to close at \$32.52 on Tuesday as analysts cited the company's weak guidance and the lingering economic uncertainty.

The weak forecast was due mainly to TI's ongoing efforts to wind down its baseband processor business.

"Texas Instruments echoed sentiments heard from a series of semi manufacturers this quarter, signaling the bottom of inventory reductions as orders ramped late in December and continued into the first quarter of 2012," Charter Equity analyst Edward Snyder said in a note.

But he added: "With limited visibility, a glut of capacity and an economy staging a tepid recovery, we remain cautious without evidence of sustainable demand."

### Broader rally mode

Still, chip stocks were in rally mode, as the Philadelphia Semiconductor Index [SOX, +0.05%](#) edged up 0.4%, boosting its year-to-date gain to about 14%.

The Nasdaq Composite Index [COMP, +0.29%](#) edged up 0.1% to close at 2,787.

The group was weighed down by losses in shares of Hewlett-Packard [HPQ, +1.83%](#) and Apple Inc. [AAPL, -0.64%](#)

Shares of InterDigital [IDCC, +0.94%](#) were down 19.3%, closing at \$35.89, after the wireless-patent technology said it had decided not to put itself up for sale.

But the tech sector got a boost from surging shares of EMC [EMC, -0.30%](#) which jumped 7.3% to close at \$25.14 after the data-storage-systems maker reported financials that beat expectations and issued an upbeat outlook.

“Overall, EMC delivered strong performance during a difficult quarter, given slowing IT spending trends, the hard-disk drive situation in Thailand and the ongoing crisis in Europe,” Ticonderoga analyst Brian White said in a note. “The company’s outlook for 2012 is above our estimates and speaks to the resilience of the storage industry.”

Also on the rise were shares of Western Digital [WDC, +0.04%](#) which rose 6.3% to close at \$36.88 after the hard-disk-drive company, which took a heavy blow in the Thailand disaster, reported being on a solid path to recovery.

Needham analyst Richard Kugele upgraded the stock to buy from hold, saying in a note that the company’s “employees and management have executed admirably through the tragic human and economic disaster in Thailand.”

“While all is not over, we are upgrading Western Digital to buy from hold as a majority of the concerns leading to our November downgrade have been alleviated,” he added.

Shares of Polycom Inc. [PLCM, +0.34%](#) also traded up sharply by 13.2% to close at \$20.85 after the videoconferencing company reported a sharp gain in profit, beating expectations.

Shares of VMware Inc [VMW, -2.96%](#) also advanced 7.7% to close at \$92.66 after the maker of virtualization software used by corporate clients reported a strong surge in fourth-quarter earnings, beating Wall Street’s expectations. The company also posted a better-than-expected revenue forecast.



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