

Tuesday, May 13, 2008

Moneyline
Monday markets

Index	Close	Change
Nasdaq composite	2488.49	▲ 42.97
Standard & Poor's 500	1403.58	▲ 15.30
Treasury bond, 30-year yield	4.54%	▲ 0.01
Treasury note, 10-year yield	3.80%	▲ 0.02
USA TODAY Internet 50	145.45	▲ 2.42
e-Business 25	110.26	▲ 1.57
e-Consumer 25	262.50	▲ 5.29
Oil, light sweet crude, barrel	\$124.23	▲ 1.73
Euro (dollars per euro)	\$1.5540	▲ 0.0060
Yen per dollar	104.17	▲ 1.08

Sources: USA TODAY research, MarketWatch.com
 ▶ Market scoreboard with currencies, 5B



By Greg Ruffalo for USA TODAY

On Monday: Foreman Rich Dubulis uses a magnetic lift to transfer steel bars cut by a laser at an Olympic Steel plant in Ohio.

Markets

Global demand shines up steel

Steel bounces back as building booms in China, India and Russia drive demand. 3B

Tech sellers offer credit crunch fix

Leases, financing help keep business customers buying

By Michelle Kessler
USA TODAY

SAN FRANCISCO — Tech companies and retailers are offering more financing options to business customers as the credit crunch spurs demand for the programs.

Office Depot later this year will begin renting computers and office equipment valued at \$500 to \$10,000. Microsoft's financing arm plans to lend about \$1.25 billion to customers, up from \$780 million last year. And Ingram Micro, a big reseller of tech gear to businesses, is offering no-money-down software purchases and other options.

More could be on the horizon. Dell spent \$306 million in December to bring its financing operation completely in-house. "I see a growing interest (in financ-

ing)," says tech analyst Spencer Richardson at researcher AML-Partners.

About 17% of U.S. businesses with more than 250 employees purchased tech products through vendor financing in 2007, up from 5% in 2006, Richardson says.

Credit and leases are popular because they help sell more products while allowing customers to get gear without big cash outlays.

Now the trend is accelerating as businesses become more cash-strapped and reasonably priced bank loans and credit cards are harder to find, Richardson says. Costs vary, but vendor loans sometimes have lower interest rates.

Chief information officers "are squeezed," says Gary Beach, publisher of CIO magazine. "Financing deals are certainly more attractive."

At IBM, one of the biggest money lenders, customers asking about financing "dramatically increased" in the past six months, general manager John Callies says. IBM hasn't changed its credit qualifications in response to the economic shift. Yet it extended \$30.5 bil-

lion in commercial leases and loans in 2007, up from \$28.0 billion in 2006.

Financing can become a liability if too many customers default. That happened during the dot-com bust of 2001. Other problems can crop up, too. Dell and its outsourcing partner were sued last year by the New York attorney general over alleged predatory lending.

IBM, Ingram Micro and others say they're carefully evaluating customers. "So far, so good," says Ross Crane, CFO of Ingram Micro's North American division. "We're still seeing very healthy credit conditions in the (business-to-business) market."

Customers are also watching out for bad deals, Beach says.

But that's not stopping the financing wave. MasterT, a 20-person firm near Memphis, sells tech products to other businesses and also offers an all-inclusive package. About a third of MasterT's customers used to take the leasing deal, but now half do. CEO J. Michael Drake says, "People are being affected by \$4 gasoline, the subprime market and the general cloud that hangs over the economy," he says.

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