

JC Penney touches lifetime high after upgrade

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NEW YORK (Reuters) - Shares of J.C. Penney Co. Inc. (JCP.N: [Quote](#), [Profile](#), [Research](#)) touched a lifetime high on Thursday after J.P. Morgan Securities upgraded the department store operator to "overweight" from "neutral," citing strong earnings growth.

The brokerage also added the U.S. department store operator to its focus list and set a June 2008 price target of \$104 on the stock.

J.C. Penney shares rose \$3.40 or 4.3 percent to \$83.01 in afternoon trading, after trading as high as \$83.08 earlier in the session. Its previous lifetime high was \$82.49.

JP Morgan said the company should now enter a period of expansion, with earnings poised to rise about 16 percent, on average, over the next few years.

JP Morgan said it has heard a deal with Polo Ralph Lauren Corp. (RL.N: [Quote](#), [Profile](#), [Research](#)) is in the works for an exclusive offering with a spring 2008 launch.

The company will introduce its new marketing campaign in February, following the shift of its advertising account to Publicis' (PUBP.PA: [Quote](#), [Profile](#), [Research](#)) Saatchi & Saatchi, the brokerage noted.

In April, the brokerage said it expected J.C. Penney to raise its long-term margin and earnings per share goals above Wall Street consensus forecasts.

The brokerage also expects the company's sales and margins to benefit from an initiative to reduce production cycle time.

Same-store sales in 2007 are expected to grow 3.3 percent, driven by easy comparisons in the first half, the roll-out of the Sephora cosmetics centers within its stores and online, and new product launches, the brokerage said.

JP Morgan raised its 2007 earnings estimate to \$5.62 a share and set a 2008 earnings target at \$6.50 a share.

(Reporting by Neha Singh in Bangalore and Nicole Maestri in New York)

MARKET VIEW

JCP (JC Penney Company Inc)

Last:	\$83.83
Change:	▲ +4.22 (+5.30%)
Revenue (ttm):	\$19,442.0M
EPS:	4.83
Market Cap:	\$17,744.28M
Time:	3:23pm ET

