Even with those losses, the Dow remains up 1.1 percent for June. The S&P 500 is up 0.7 percent.

NEW YORK (AP) -- Homebuilders led stocks up on Tuesday, helping major indexes recoup some losses from the day before. Rupert Murdoch's News Corp. surged after the media conglomerate said it may split into two companies.

The Dow Jones industrial average rose 32.01 points to close at 12,534.67.

PulteGroup, Lennar and other housing stocks climbed following news that a measure of national home prices rose 1.3 percent in April, the first increase in seven months. The Standard & Poor's/Case-Shiller home price index showed a rise in 19 out of the 20 major cities tracked; Detroit was the only city where prices fell.

PulteGroup rose 49 cents to $9.72 and Lennar rose 81 cents to $27.39.

"There's some good news out there, especially if you look at the housing market," said John De

Clue, regional investment director of U.S. Bank's wealth management unit in Minneapolis. "But there's this overriding theme: concerns over global growth. Things are pretty much slowing everywhere you look."

News Corp. jumped 8 percent. The company confirmed that it's contemplating a breakup into two publicly traded companies. The split would divide its publishing from its entertainment businesses. The media empire includes The Wall Street Journal, Fox News Channel, and newspapers in Britain and Australia. News Corp.'s stock leapt $1.68 to $21.76.

In other trading, the broader Standard & Poor's 500 index gained 6.27 points to 1,319.99. The Nasdaq composite rose 17.90 points to 2,854.06.

Investors sold coal company stocks after S&P lowered the credit rating for James River Coal deeper into junk status, citing weaker demand for coal. Utilities have favored natural gas instead of coal to generate electricity and are also preparing for new emission standards. James River plunged 15 percent, or 43 cents, to $2.49.

Alpha Natural Resources sank 20 cents, to $7.73. Peabody Energy dropped 34 cents to $21.12.

More worrisome developments in Europe kept U.S. markets in check. Spain's borrowing costs jumped in a pair of short-term debt auctions, the latest sign that investors are hesitant to lend the country money. The interest rate on the country's 3-month bills was 2.36 percent Tuesday, nearly triple the rate in the last such auction in May.

Spain's main stock index sank 1.5 percent, the second day straight of deep losses, and the yield on its benchmark 10-year government bond rose to 6.81 percent, which makes it more expensive for the country to borrow. The slump in Spanish financial markets came a day after the credit rating agency Moody's lowered ratings on 28 Spanish banks.

Stock markets fell sharply in the U.S. and Europe on Monday as Europe's latest efforts to calm its financial crisis sapped investors' confidence. Spain's formal request for help for its banking systems left many questions unanswered, including how much money it needs.

Markets have also been battered by signs of withering economic growth around the world. Manufacturing has slowed in China, and hiring has weakened in the U.S. The Dow has taken its two largest daily losses of the year this month: a 250-point plunge June 21 and a 274-point one June 1.

Even with those losses, the Dow remains up 1.1 percent for June. The S&P 500 is up 0.7 percent.

Among other stocks making big moves:

- Apollo Group, a for-profit education company which operates the University of Phoenix, soared 10 percent. The company reported quarterly income that was far larger than analysts had expected. The company's stock rose $3.34 to $35.81.

- Seagate Technology gained 4 percent. The maker of hard disk drives is going to replace Progress Energy in the S&P 500 index. As a result, fund managers, whose performance is measured against the S&P index, are more likely to buy Seagate. The stock rose 85 cents to $24.12.