BUSINESS

Bump in economy pushes stocks

Job gains help Dow industrials close in on 11,000 mark

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Stocks rose Monday as expectations for the economy improved, following Friday's news of more hiring and a new report that service businesses demand had increased.

The Dow Jones industrial average rose 46.48 points to 10,973.55 and closed in on the psychological benchmark of 11,000 for the first time in 18 months.

"Psychologically, whenever we go past a thousand points, it serves to remind people how much of a recovery has been made in the stock market," said Mark Vitner, senior economist with Wells Fargo Economics Group.

"The stock market is fickle, but the resurgence is a positive sign," he said, allowing companies to raise capital for growth.

Employers added 162,000 jobs in March, the biggest gain since December 2007.

"We haven't had many positive months," Vitner said. "There are some real gains in the manufacturing sector, which should be good for the Upstate," but many of those jobs could be somewhat temporary as companies build up inventory. He also said many of the overall job gains came from temporary employment for the 2010 Census.

The Institute for Supply Management, a trade group, said that the activity index for the nation's service industries rose to 55.4 percent in March from 53 percent in February, better than economists had forecast. And the National Association of Realtors said its seasonally adjusted index of sales agreements, or pending house sales, rose 8.2 percent in February from January.

The economy "is moving in the right direction," Vitner said. "The pace of economic recovery is not strong enough just yet to improve the sectors hurt the worst. We need to gain momentum. We expect things will get better in the second quarter of this year."

And "the investors that have been buying over the past year are getting rewarded for their expectations that the economy is going to make a turn," said Alan Lancz, money manager at Alan B. Lancz & Associates in Toledo, Ohio.

Several stocks of local interest followed the stock market up, but World Acceptance Corp. closed down 73 cents at $35.91. ScanSource closed up 56 cents at $29.87 while South Financial Group closed up 14 ½ cents at 81 cents a share. Span-America Medical Systems closed up $3 at $19.25 a share and Duke Energy closed up a penny at $16.42. General Electric closed up 20 cents at $18.53 a share and BB&T closed up 45 cents a share at $32.92.