

Market rallies



Trader Douglas Glander works on the floor of the New York Stock Exchange. Of the 118 companies that have reported earnings, 75 percent have beaten estimates. AP

Corporate earnings send stocks rising

By Matthew Craft
The Associated Press

NEW YORK — A broad rally swept through the stock market Friday after McDonald's and several other large companies reported solid earnings.

The Standard & Poor's 500 index closed higher for the third straight week, its best run since February, as hope builds that a weekend meeting will bring European leaders closer to easing the region's debt troubles.

The Dow Jones industrial average jumped 267.01 points, or 2.3 percent, to 11,808.79.

The Dow is now up 2 percent from where it started 2011. Before Friday's surge, it was down

for the year.

The Dow has risen for four weeks straight, the first time that has happened since January.

The combination of stronger earnings, better economic news and a sense that European officials were taking the debt crisis more seriously have helped lift stocks, said Phil Orlando, chief equity market strategist at Federated Investors.

"It seems like there's a greater sense of urgency to deal with Greece and the sovereign debt trouble in Europe," he said.

McDonald's Corp., Chipotle Mexican Grill Inc. and Harman International Industries Inc. were among the companies that beat analysts'

expectations.

The quarterly earnings season is off to a strong start. Of the 118 companies that have reported earnings, 75 percent have beaten estimates, according to financial data provider FactSet.

The encouraging corporate news was in line with recent signs that the U.S. economy strengthened in September after a very weak summer.

On Friday the government said unemployment fell last month in half of U.S. states and was unchanged in 11. That's much better than in August, when unemployment rose in 26 states.

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Markets have been moving sharply in recent weeks, mainly in reaction to the latest headlines out of Europe on the debt crisis.

The Dow had a bigger jump Oct. 10, 330 points, after the leaders of France and Germany pledged to have a comprehensive solution to the debt crisis in place by the end of the month.

The Dow has gained 10.8 percent since Oct. 3, when it sank to its lowest point of the year.

The S&P 500 gained 22.86 points, or 1.9 percent, to 1,238.25. Rising stocks in the S&P outpaced falling ones by a margin of 20 to 1;

only 23 companies traded lower.

The Nasdaq composite index gained 38.84, or 1.5 percent, to 2,637.

European markets closed sharply higher as investors hoped European leaders will agree on a package of measures to address the region's debt crisis in time for a summit scheduled for Wednesday.

Germany's DAX index rose 3.5 percent, while France's CAC 40 and Italy's FTSE MIB rose 2.8 percent.

Traders sold ultra-safe U.S. Treasury debt as riskier assets rose.

The yield on the 10-year Treasury note rose to 2.22 percent from 2.18 percent late Thursday. Bond yields rise as demand for them falls and their prices decline.