

# Dow approaches 13,000, within rally distance of setting a record

By Christina Rexrode  
The Associated Press

**NEW YORK** — It was just last summer that the Dow Jones industrial average shed 2,000 points in three terrifying weeks. Investors had a host of things to worry about, including the possibility of another recession.

Now the Dow is within reach of the rarefied 13,000 mark — a level it hasn't seen since May 2008, four months before the financial system almost came apart.

A strong one-day rally — caused by a deal on bailout money for Greece, perhaps, or an unexpectedly positive economic report — could put it over the top.

What's more, the average is just a 10 percent rally from an all-time high. And 10 percent rallies can happen fast these days.

"There are signs that the economy is getting back on its feet and the market is reacting to that," says John Prestbo, executive director of Dow Jones Indexes. "The mood is just better in this country than it has been for a while."

On Wall Street, too. The Dow traded Tuesday at 12,878, a 21 percent rally from Oct. 3, its low point for last year. In January, the average rose more or less in a straight line and added 3.4 percent, its best start to a year since 1997.

From here, the record is tantalizingly close — 14,164.53, reached Oct. 9, 2007, when the investment



Kevin Lodewick, right, works at the New York Stock Exchange, where a one-day rally could put the Dow over 13,000. AP

houses Bear Stearns and Lehman Brothers still existed and the unemployment rate was 4.7 percent.

A 10 percent surge may seem like a lot, but it's really not. The Dow has gained almost 15 percent since Nov. 25, just 10 weeks ago.

Investors are no longer just trying to stem their losses, says Mark Lehmann, president of JMP Securities in San Francisco. "They're playing a little offense. Six months ago, they were playing defense," he said.

But not everyone believes the rally will last. Joe Gordon, managing partner at Gordon Asset Management in North Carolina, cites the unresolved European debt crisis and the millions of people who have given up looking for work.

"This is like drinking a lot of coffee in the afternoon," says Gordon. "It perks you up, then once it fades 45 minutes later, you're even more tired."