Dow hits record high

'Sunshine is replacing market storm clouds'

By Adam Shell
USA Today

NEW YORK — The Dow Jones industrial average rewrote the Wall Street record books Tuesday, taking out its old 2007 high as it soared 125.95 points on its way to a fresh closing peak of 14,253.77.

The Dow's stunning and unexpectedly lengthy bull run puts an exclamation point on one of the most turbulent periods in Wall Street history.

The iconic 117-year-old stock barometer, home to famous American blue chips, such as IBM, JPMorgan Chase, Coca-Cola, AT&T and McDonald's, did what few thought possible back in the dark days of the 2008-09 financial crisis — it erased the 7,617-point loss suffered during one of the worst stock market downturns since the Great Depression.

In doing so, the Dow once again proved the resilience of the stock market, highlighting its ability to overcome seemingly financial panics, wars, natural disasters and a complete loss of investor confidence.

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The Dow's new high could change the dialogue on Wall Street and convert market skeptics into believers. Thanks to the Dow this rally may finally shake off its reputation as "one of the most unloved bull markets in history," said James Stack, editor of InvesTech Research newsletter.

"It's still unloved, but no longer ignored," said Stack.

There are still a lot of disbelievers out there, said Nicholas Sargen, chief investment officer at Fort Washington Investment Advisors.

"I say to the disbelievers: Stocks have more than doubled off their lows. If it hasn't been a bull market, what has it been?" he asked.

Nearly four years after a stock market rout so severe that many Americans lost their faith in equity investing and feared the Dow would never rise again, the Dow has risen from the ashes of the bear market on March 9, 2009, when it sank to 6,547.05, to a level never seen in its history.

Investors that held on, despite the scary roller coaster ride, are now whole, their portfolios back to even.

Individual investors, many of whom have fled the stock market in droves in search of safer investments since the financial crisis, now must reassess whether stocks are still a good place to invest money to build wealth.

"It's a wake-up call," said Frank Holmes, chief investment officer at U.S. Global Investors. "Sunshine is replacing market storm clouds."