BUSINESS

Dow posts 1st close above 16K

Index charges toward best year since 2003

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Associated Press

NEW YORK — The Dow Jones industrial average closed above 16,000 for the first time Thursday as encouraging news on the job market pushed stocks higher.

The Dow has been on fire lately, propelled higher by a combination of solid corporate earnings, a steadily strengthening economy and easy-money policies from the Federal Reserve.

Since the start of the year, the blue-chip index is up 22 percent. If it holds onto those gains, the Dow will have its best year since 2003. The Dow topped 14,000 in February and 15,000 in May.

"People are getting out of bonds into stocks," said Steven Ricchiuto, chief economist at Mizuho Securities. "We're in the early stages of a recovery."

The Dow rose 109.17 points, or 0.7 percent, to close at 16,009.99. The Standard & Poor's 500 index rose 14.48 points, or 0.8 percent, to 1,795.85. The Nasdaq composite rose 47.88 points, or 1.2 percent, to 3,969.15.

OIL PRICE RISES

The price of oil sailed above $95 Thursday as the U.S. job market showed more signs of recovering.

» The government said the number of people applying for U.S. unemployment benefits fell 21,000 to a seasonally adjusted 323,000 last week, the lowest since late September and further evidence of an improving job market.

» Benchmark U.S. crude for January delivery gained $1.59 to close at $95.44 a barrel on the New York Mercantile Exchange. That's the highest closing price this month.

In a sign investors are taking on more risk, small-company stocks rose at a much faster pace than the rest of the market. The Russell 2000 index jumped 19.83 points, or 1.8 percent, to 1,119.62.

The Labor Department reported before the market opened that applications for unemployment benefits dropped last week to the lowest level since September. The number of applications is close to where it was before the Great Recession.