

Specialist Patrick King works at his post on the floor of the New York Stock Exchange on Monday. The Dow Jones industrial average soared to 12,837.33, its highest close in a month. RICHARD DREW/AP

Dow rises about 96 points as investors look to Fed

By Pallavi Gogoi
The Associated Press

NEW YORK — Stocks rose sharply Tuesday as traders turned their focus back to corporate news from the U.S. and hopes that the Federal Reserve will come up with a plan to jumpstart the economy. Banks and materials stocks led the market higher.

The Dow Jones industrial average soared 95.51 points to 12,837.33, its highest close in a month. Microsoft was one of the biggest gainers in the Dow. The stock jumped 3 percent after the company announced a new tablet computer called Surface to compete with the immensely popular iPad from Apple. Microsoft was up 86 cents at $30.70.

Stock traders are also latching on to recent signals from the Federal Reserve that the central bank may reveal plans to stimulate the economy at the end of its two-day meeting Wednesday.

Economists say that even if the Fed does not act after its meeting, it will send a clear message that it is standing by to do so if needed.

Financial companies were among the best performing stocks as investors hoped for Fed action: Bank of America soared 4.5 percent, Citigroup gained 3.5 percent, JPMorgan Chase was up 2.2 percent and Morgan Stanley rose 3 percent.

The Standard & Poor's 500 index rose 13.20 points to 1,357.98. The Nasdaq composite index rose 34.43 points to 2,929.76.