

Specialist Christopher Culhane, left, works with traders on the floor of the New York Stock Exchange. The markets have rallied since Thanksgiving, but investors are cautious about a summit of European leaders later this week. RICHARD DREW/AP

Dow up 52 points on news about European bailout

By Daniel Wagner
The Associated Press

The Dow Jones industrial average closed up 52 points after a report that European leaders are considering more aggressive programs to bail out weaker countries in the region.

Broader market indicators were mixed. The S&P 500 index rose 1 point and the Nasdaq composite average edged lower.

Materials and health care companies rose the most. Agricultural supplies company Monsanto Co. gained 2.8 percent; drugmaker Pfizer Inc. added 2 percent.

The Dow Jones industrial average closed up 0.4 percent to 12,150.13. Among its top performers was 3M Co., which rose 1.5 percent after it forecast 2012 earnings that were stronger that many analysts expected.

The Standard & Poor's 500 index closed up 0.1 percent to 1,258.47. The Nasdaq closed down 6.20, or 0.2 percent, at 2,649.56.

U.S. stock indexes have risen sharply from the lows they hit during Thanksgiving week. The S&P 500 is up 8.6 percent since Nov. 25, when it closed at 1,158.67.

Late Monday S&P said it might downgrade the debt of 15 countries that use the euro. The announcement, and S&P's follow-up statement Tuesday about possibly downgrading the European bailout fund, halted a rally in European markets.

The impact on the market was muted, said Robert Tipp, chief investment strategist with Prudential Fixed Income, because investors are taking the view that the European debt crisis may be through its worst phase.