BUSINESS

Exports send stocks higher

Record sales abroad renew investors' hope about pace of recovery

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NEW YORK — A bit of good news was all it took to break a weeklong slump in the stock market.

A report that U.S. exports hit a record in April sent stocks sharply higher Thursday as investors hoped the economic recovery may not be as sluggish as the last week of grim economic reports have suggested.

Trade levels factor into calculations of economic growth. Thursday's number could add half a percentage point or more to the government's estimate of second-quarter gross domestic product, said Anthony Chan, chief economist for JPMorgan Private Wealth.

The Dow Jones industrial average rose 75.42 points, or 0.6 percent, to close at 12,124.36. The Standard & Poor's 500 index rose 9.44, or 0.7 percent, to 1,289.00. The Nasdaq composite rose 9.49, or 0.4 percent, to 2,684.87.

Thursday's gains broke a six-day losing streak and marked the first time stocks rose in June. Stocks had dropped following poor reports on manufacturing, home sales, hiring and consumer confidence.

It was the longest losing streak for the Dow Jones industrial average in over a year and the longest for the Standard & Poor's 500 index since February 2009.

The market's weeklong slump also made stocks appear relatively cheap, Chan said. The S&P 500 lost 6.2 percent over the previous six days of trading.

"Markets usually swing like a pendulum," Chan said. "This decline has been strong enough that you can easily justify the market taking a breath."

The narrower trade deficit is a sign that goods from U.S. manufacturers are becoming more competitive in overseas markets. U.S. companies sold more computers, heavy machinery and telecommunications equipment abroad in April compared with the month before. Imports declined because fewer cars were bought from Japan after factories there were damaged by that country's earthquake and tsunami disaster.

Companies that make farming machinery rose after the government reported that U.S. corn crops would be smaller this fall. That sent corn prices soaring and raised expectations that farm owners would be buying more agricultural equipment such as tractors.