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What to watch

Finally, stocks are firing on all 3 cylinders

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NEW YORK The new highs this year have become almost routine — until now.

The benchmark Standard & Poor's 500 has been regularly churning out record closes, doing it again Friday for its 22nd new high of the year.

The blue-chip Dow Jones industrial average's record close Friday was its 11th of 2014.

That was the ninth time this year the two set new highs at the same time.

Although the gains were minuscule — the Dow rose 25.62 points, or 0.2%, to 16947.08 and the S&P rose 0.2% to 1962.87 — Friday's rally accomplished something Wall Street hasn't seen all year: It pushed the Nasdaq composite to a new 14-year high. The last time all three market measures closed at highs was the final trading day of 2013.

So in a sense, with just six trading days left in the first half of the year, the stock market is finally firing on all three cylinders.

Skeptics say the the stock market is getting ahead of itself, though this week Federal Reserve Chair Janet Yellen said she doesn't think stocks are overpriced relative to history.

There are also concerns that investors have grown too complacent. This week, the so-called fear gauge, the CBOE volatility index, hit the lowest level since February 2007 when that bull market was entering its final months.

History does suggest a pullback is overdue. The broad market hasn't suffered a correction, or a 10% drop, in 32 months. The long-term average: 18 months.

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