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Investors 'smell economic recovery'

S&P index breaks through 1,000

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The Standard & Poor's 500 index is four digits again now as the stock market's rally rolls into August.

The widely followed stock market measure broke above 1,000 on Monday for the first time in nine months as reports on manufacturing, construction and banking sent investors more signals that the economy is gathering strength. The S&P is the foundation for mutual funds in many individual 401(k) accounts.

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Wall Street's big indexes all rose more than 1 percent, including the Dow Jones industrial average, which climbed 115 points.

"The market is beginning to smell economic recovery," said Howard Ward, portfolio manager of GAMCO Growth Fund. "It may be too early to declare victory, but we are well on our way."

Major stock indexes are still down 35 percent from their peak in October 2007.