BUSINESS

Market back in record territory

Small-business survey reports positive outlook, which buoys Russell 2000, stocks

By Steve Rothwell
Associated Press

NEW YORK — The stock market marched back into record territory as investors seized on the latest encouraging news about the economy. On Tuesday, it was a report on the health of small businesses.

Small business owners were slightly more optimistic in April, according to a survey by the National Federation of Independent Business. That helped push the Russell 2000, an index of small-company stocks, up 1.3 percent.

The Dow rose 123.57 points, or 0.8 percent, to 15,215.25. The S&P 500 index rose 16.57 points, or 1 percent, to 1,650.34 Both are at all-time highs.

The Nasdaq composite index rose 23.82 points, or 0.7 percent, to 3,462.61.

The Russell index is 16.1 percent higher since the start of the year, and is up more than the Standard & Poor's 500 index, which includes larger, global companies.

Small stocks are doing well partly because they are more focused on the U.S., which is recovering, and don't get as much revenue from recession-plagued Europe as larger companies do.

The advance in small-company stocks is another sign of how optimistic investors have become. Smaller stocks are more risky than large ones, but also offer investors the prospect of greater returns.

"Small businesses are in many ways the backbone of the economy ... to see that index move up was a positive surprise," said Quincy Krosby, market strategist for Prudential Financial. "Overall, the market wants to move higher, and it's hard to fight that."

The Dow has risen 16.1 percent this year, the S&P 500 index 15.7 percent.

The Dow has gained for 1[illegible] straight Tuesdays. The only day with a longer streak of consecutive gains is Wednesday, with 24 back in 1968, according to Schaeffer's Investment Research.