

Positive reports lift stocks near yearly high

Investors reassured by strong sales figures, improving jobs picture

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THE ASSOCIATED PRESS

NEW YORK — A rebound in retail sales and strong jobs reports pushed stocks near their highest levels of the year.

U.S. retailers had their best June sales results since 1999, as shoppers were lured into stores by warm weather and deep discounts.

Investors have been concerned that high gas prices would constrain consumer spending as people looked for ways to save money. The higher sales figures reassured markets that consumers were becoming more willing to spend again.

"The closest thing to an unadulterated barometer of our progress is same-store sales," said Jack Ablin, chief investment officer at Harris Private Bank in Chicago. Same-store sales for the 28 retailers who reported them on Thursday were up 6.9 percent. "Everything is tied to it: Sales drives profits, profits drive hiring and hiring drives sales. It's a neat, virtuous circle."

An improving job mar-

ket likely helped. The number of people who made first-time claims for unemployment benefits dropped last week to a seven-week low of 418,000, the government reported. That's a sign that employers are laying off fewer workers.

Separately, payroll processor Automatic Data Processing said companies added 157,000 employees in June. The bulk of the hiring came from small businesses. The tally is more than double the number economists had forecast and far more than the 36,000 added the previous month. The report isn't always an accurate predictor of the Labor Department's monthly unemployment report, but has been more of a bellwether in recent months. The Labor Department's report will be released Friday.

The Dow Jones industrial average gained 93.47 points, or 0.7 percent, to close at 12,719.49. The Standard and Poor's 500 index added 14 points, or 1.1 percent, to 1,353.22. The tech-focused Nasdaq composite closed at 2,872.66 after gaining 1.4 percent.