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S&P 500 closes at record high, beats '07 mark

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NEW YORK — For the second time in less than a month, the stock market marched past another milepost on its long, turbulent journey back from the Great Recession, toppling another record left over from the days before government bailouts and failing investment banks.

The Standard & Poor's 500 closed at a new high Thursday, three weeks after another popular market gauge, the Dow Jones industrial average, obliterated its own closing record. The S&P capped its best quarter in a year, rising 10 percent. The Dow had its best first quarter in 15 years, climbing 11 percent.

The reaction on Wall Street was muted — more of a dull buzz than a victory cry. Investors warned clients not to get overly excited.

"Getting back to where we were is an important step," said Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. But he cautioned in a note to investors: "Markets are volatile, and if you are a long-term investor you should expect declines."

The S&P 500 rose 6.34 points, or 0.41 percent, to 1,569.19, beating by four points its previous record of 1,565.15 set on Oct. 9, 2007. The index is still shy of its all-time trading high of 1,576.09.

The index has now recovered all of its losses from the recession and the financial crisis that followed. Investors who put their dividends back into the market have done even better. A $10,000 investment in the S&P back in October 2007 would be worth $11,270.

On any other day, a gain of that size would go unheralded, but not after the turmoil that began in late 2008 and persisted through a slow, sometimes stalled recovery. The milestone generated chatter at water coolers and on business news channels.

The S&P 500 is a barometer that gauges market performance. And while professional investors might scoff at using it to decide when to buy and sell, the breaking of an old record can be psychologically important.