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Trader Albert Young watches the numbers on the floor of the New York Stock Exchange. The market enjoyed a major rally Thursday.

Stock market surges

Good economic news puts investors in buying mood

By Tim Paradis
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NEW YORK — Investors sent the Dow Jones industrials back above 10,000 after a stream of upbeat economic news convinced them that maybe things aren't so bad after all.

The Dow rose 273 points to 10,172. All the major indexes climbed more than 2.5 percent. Falling Treasury prices pushed interest rates higher as demand for safe investments eased.

Energy stocks led the market higher after they slid late Wednesday on concerns that BP would be forced to cut its dividend because of the Gulf of Mexico oil spill. BP PLC rose 12.3 percent from a 14-year low, while Anadarko Petroleum Corp., which has a minority stake in the rig that caused the spill, rose 12.4 percent.

Most bank stocks rose, but Goldman Sachs Group Inc. fell 2.2 percent to its lowest level in a year following reports that it was target of another investigation by the Securities and Exchange Commission. The SEC has already filed civil fraud charges against the company, which has denied wrongdoing.

Investors have pounded stocks for more than a month because of concerns that Europe's sovereign debt crisis would slow a rebound worldwide. Thursday's advance was the latest swing in a market that has been volatile for weeks, including three late-day slides in the past four days. Some of the advance could be coming from what's known as "short-covering." That's when traders are forced to buy stock after having earlier sold borrowed shares in a bet that the market would fall. The moves can add to the market's climb.

Markets around the world rose after China said exports rose 48.5 percent in May, while imports jumped 48.3 percent. The increase in trade provides some relief to fears that debt problems in Europe would halt a global economic recovery.

The Dow rose 2.8 percent, to 10,172.53. It was the Dow's first close above 10,000 this week and its biggest gain since May 27.

The Standard & Poor's 500 index rose 31.15, or 3 percent, to 1,086.84, while the Nasdaq composite index rose 59.86, or 2.8 percent, to 2,218.71.

The euro, used by 16 countries in Europe, rose to $1.2111. The currency has become an indicator of investor confidence in Europe's recovery.