Stocks rise on upbeat reports

Earnings, housing top forecasts; some see slower growth ahead

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Stocks rebounded on strong earnings reports Thursday, and a better-than-expected housing report contributed to investor optimism.

Caterpillar, 3M, UPS and AT&T all topped forecasts and raised their outlooks for the future.

The Dow Jones Industrial Average rose 201 points, or 2 percent, to 10,322. The Standard & Poor's 500 index rose 2.3 percent, to 1,093. The Nasdaq Composite rose 2.7 percent, to 2,245.

Sales of previously occupied homes fell less than expected.

Still, economists were cautious, suggesting slower economic growth is ahead through the fall.

The Conference Board, a private research group, said its index of leading economic indicators fell 0.2 percent last month. The gauge had risen almost every month since April 2009 as the economy rebounded from the recession.

"This is the latest affirmation of our view that economic growth will likely slow in the second half of 2010," John Silvia, chief economist for Wells Fargo Securities, and fellow economist Tim Quinlan said in a research report.

They said the health of the job market is represented in the LEI by two components. One is average weekly hours, which pulled down the index more than any other component in June, the economists said.

The other is claims for unemployment insurance, "a measure that has yet to drop to levels consistent with strong job growth," they said.

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Taxes may head higher

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Spill crews flee storm

Key ships stationed over BP's crippled Gulf oil well fled Thursday ahead of Tropical Storm Bonnie. 2A

Energy bill stalls

Senate Democrats on Thursday gave up plans to attempt to pass an energy-global warming bill that **caps greenhouse gases.** **4A**

Graham backs port study

U.S. Sen Lindsey Graham is assuring state business leaders worried about the future of the Port of Charleston. **5B**