Market finishes strong

RICHARD DREW / The Associated Press

Traders work on the floor of the N.Y. Stock Exchange. For investors, June was one long seesaw ride that began with a deep plunge on the first day of the month.

Stocks' dip in June may have been blip

Many analysts think economy's troubles are temporary

7/1/11

By David K. Randall
THE ASSOCIATED PRESS

NEW YORK — Stocks are headed for a correction. No, stocks are rallying. Wait, stocks are down. Or up — a lot.

For investors, June was one long seesaw ride that began with a deep plunge on the first day of the month. Six days of declines were followed by a week of give and take and then four days of gains. The month ended with strong earnings from a consumer bellwether and signs that a European debt crisis could be averted. That led to a 4-day advance in the three major indexes.

The Dow Jones industrial average rose 480 points, or 4 percent, the last four days of the month, and the Standard & Poor's 500 index is on track for its best weekly return since July 2010.

That strong ending didn't make June a winner. Stocks were down about 2 percent for the month, the second straight month that the market finished lower. Only the Dow Jones average eked out a gain, of 0.8 percent, for the quarter.

All three indexes are still up for the year. The Dow is up the most, 7.2 percent. The S&P 500 and Nasdaq are up 5 percent and 4.6 percent respectively. The Dow was down 6.3 percent at this time last year.

Concerns about the strength of the U.S. economy and Greek debt spooked investors much of the month. On the first day of June, investors were greeted with reports that American manufacturing output had expanded at the slowest pace in 20 months, that auto sales had tumbled in May, and that private companies added the fewest number of employees since September. By June 15, the S&P had lost nearly all of its gains for the year, before dividends.

The S&P 500 lost 1.8 percent for the month, the Dow finished down 1.2 percent, and the Nasdaq composite fell 2.2 percent.