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Trader Jonathan Corpina, right, works on the floor of the New York Stock Exchange on Thursday. Stocks opened higher on Wall Street Thursday, gaining for a second day, after the European Central Bank chief said the region was poised to start growing again, bolstering expectations that the worst of the region's crisis is behind it.

Stocks gain, pushing S&P 500 to five-year high

BY STEVE ROTHWELL
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NEW YORK — The Standard and Poor's 500 closed at another five-year high Thursday after the stock market got a boost from reports suggesting the outlook for economic growth may be improving.

The S&P 500 rose 11.10 points to 1,472.12, its highest close since December 2007, when the U.S. economy was entering the Great Recession. It also closed at a five-year high on Friday and is now 93 points off its record close of 1,565.15, logged in October 2007.

The Dow Jones industrial average closed up 80.71 points at 13,471.22. The Nasdaq composite rose 15.95 points to 3,121.76.

European Central Bank President Mario Draghi said the struggling euro zone should start growing again later this year, but he warned that the region has yet to reach a turning point in its struggle with recession and handling its government debt load. The comments bolstered expectations that the worst of the region's crisis may be behind it.

Investors were also cheered by a report that showed China may gradually be emerging from its worst economic downturn since the 2008 global crisis. Export growth for the world's second-largest economy rebounded strongly in December.

Stocks finished the day higher despite a U.S. government report that weekly applications for unemployment benefits ticked up last week. The Labor Department said applications rose 4,000 to 371,000, the most in five weeks. The previous week's total was revised lower.

Ford was among the gainers, rising 36 cents, or 2.7 percent, to $13.83 after the company doubled its quarterly dividend to 10 cents, just nine months after paying its first dividend in more than five years.

U.S. companieas are sitting on record cash piles, having rebuilt their balance sheets following the financial crisis that started five years ago. Analysts at Deutsche Bank predict that corporations will stop adding to those cash piles this year and instead start returning more cash to shareholders, helping push the S&P 500 up to 1,575 by the end of the year. That would be a 10 percent increase from where it ended 2012.

Traders are also waiting for more indications on the health of U.S. companies from earnings reports.