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Stocks jump on housing,

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NEW YORK (AP) — Reassuring news about housing and banking on Monday convinced investors to return to the stock market.

The Dow Jones industrial average shot up 235 points, its biggest daily point gain in over a month, and made up three-quarters of last week's losses. All the major indexes rose about 3 percent.

A better-than-expected prof-

it report from Lowe's Cos., an uptick in homebuilder sentiment and positive comments from analysts about U.S. banks revived investors' confidence in an economic rebound. Stocks fell sharply last week on worries that a recovery might be further off than hoped, interrupting a rally that has left the Standard & Poor's 500 index up 34.5 percent since March 9.

Steep drops in home values have been at the heart of

the economy's troubles, slicing into consumers' wealth and saddling banks with huge losses. Analysts believe that stability in the housing and banking industries are imperative for the economy to rebound.

"There's a realization that things are going to get better," said James Cox, managing partner at Harris Financial Group. "That's the main theme of the market over the last couple of weeks."

Despite Monday's bounce,

bank optimism

however, the market is expected to remain volatile as investors look for signs that the economy is actually recovering — not just slowing its descent.

At the start of the market's upswing in March, signs of stabilization were enough to encourage investors to buy stocks. Linda Duessel, equity market strategist at Federated Investors, said the rally has been driven by "less bad" information.

"Probably, we'll get bored

with that as the months progress," Duessel said. "We'll need something better to move the market."

According to preliminary calculations, the Dow rose 235.44, or 2.9 percent, to 8,504.08. That was the biggest point gain since a 246-point jump on April 9.

The S&P 500 index rose 26.83, or 3 percent, to 909.71, and the Nasdaq composite index rose 52.22, or 3.1 percent, to 1,732.36.