

# Stocks jump on renewed optimism

## Optimism in housing, banking boost trading

By Madlen Read  
THE ASSOCIATED PRESS

NEW YORK — 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, making up three-quarters of last week's losses.

All the major indexes rose about 3 percent.

A better-than-expected profit report from Lowe's Cos., an uptick in home-builder 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, 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 Duesel, 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," Duesel said. "We'll need something better to move the market."

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, putting it back into positive territory for the year.

The Nasdaq composite index rose 52.22, or 3.1 percent, to 1,732.36.

Last week, the Dow slid 3.6 percent, the S&P 500 index lost 5 percent and the Nasdaq fell 3.4 percent as a weak retail sales report and an uptick in job losses had investors questioning the merits of a two-month rally off of 12-year lows.

Stocks got a boost when Lowe's Cos., the nation's second-largest home improvement chain, posted earnings that easily beat Wall Street's forecasts and raised its full-year profit outlook.

Lowe's closed up \$1.49, or 8.1 percent, at \$19.94.

## Investors return to market



ELISE AMENDOLA / The Associated Press

Shoppers head to their car in the parking lot of Lowe's Home Improvement Warehouse in Haverhill, Mass.