

Traders Patrick McKeon, left, and Joel Lucchese work on the floor of the New York Stock Exchange. Stocks rose modestly Monday on Wall Street. Investors were encouraged by signs of progress in fiscal cliff talks. AP

Stocks move higher amid budget talks

Boehner offer on fiscal cliff pushes 3 main indexes up

By Steve Rothwell
Associated Press

NEW YORK — Stocks rose on Wall Street on Monday as investors were encouraged by signs of progress in budget talks in Washington. Just two weeks remain before tax increases and government spending cuts take effect if no deal is reached.

On the floor of the New York Stock Exchange, stock traders paused for a minute of silence at 9:15 a.m. to remember the 20 children and seven adults killed Friday in a gunman's rampage through a Connecticut elementary school.

The Dow Jones industrial average rose 100.38 points, or 0.8 percent, to 13,235.39 in its biggest gain this month. The Standard & Poor's 500 index climbed 16.78 points to 1,430.36, and the Nasdaq composite index rose 39.27 points to 3,010.60.

Marc Chaikin, CEO of the Philadelphia-based market research firm Chaikin Analytics, said investors became more hopeful for a resolution in the budget talks after House Speaker John Boehner made an offer to increase tax rates on high-income Americans.

"The fiscal cliff is obviously foremost on everyone's mind," Chaikin said.

Banks were among the best-performing stocks. Citigroup gained $1.55, 4.1 percent, to $39.15 after Raymond James raised its target price on the stock to $52 from $44. Bank of America also gained 42 cents, or 4 percent, to $11.

Investors are currently favoring financial stocks over technology stocks, said Ben Schwarz, chief market strategist at Lightspeed Financial.

"The banks are ripping today," Schwarz said. "People are looking for stability, and the tech sector hasn't given them any."

Apple rose $9.04, or 1.8 percent, to $518.83 after the company said it sold more than 2 million iPhone 5s in China in their first three days of availability.