BUSINESS

Strong earnings lift Dow

Wall Street ticks upward on consumer confidence, home sales

By Steve Rothwell
Associated Press

NEW YORK — A jump in home sales and strong earnings from Home Depot helped the Dow claw back more than half of its losses from Monday. Improving consumer confidence also brought back buyers to the market.

The Dow Jones industrial average closed up 115.96 points, or 0.8 percent, to 13,900.13 on Tuesday. The Dow fell 216 points the day before, its biggest drop in three months, on concern that the European debt crisis may flare up again. The index has moved 100 points or more on four out of the past five trading days.

The Standard & Poor's 500 index rose 9.09 points, or 0.6 percent, to 1,496.94. The Nasdaq composite was up 13.40 points, or 0.4 percent, at 3,129.65.

Home Depot, the biggest home improvement store chain in the country, jumped $3.64, or 5.7 percent, to $67.56 after reporting that its income rose 32 percent in the latest quarter thanks to strong U.S. sales and the cleanup that followed Superstorm Sandy.

"Companies on the whole, particularly U.S. companies, are doing well," Michael Mussio, a portfolio manager at FBB Capital, said.

Strong earnings from home improvement companies, such as Home Depot and Lowe's, which reported earnings Monday that beat Wall Street forecasts, compounded evidence that the U.S. housing market is maintaining its recovery, Mussio said. Also Tuesday, the government reported that sales of new homes jumped 16 percent last month to the highest level since July 2008.