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Investors get shot of confidence



PAUL SAKUMA / The Associated Press

A Costco customer checks strawberries. A sales rebound and surge in wholesale inventories extended investors' confidence Friday.

Wholesale inventories push markets higher

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THE ASSOCIATED PRESS

NEW YORK — Stocks edged higher Friday, extending a rally that began nearly two weeks ago, as investors hold on to their newfound optimism about the economy.

The Dow Jones industrial average rose 47 points in very light trading. It was the seventh day of gains out of the past eight for the index. Treasury prices eased as traders became more willing to take on risk.

Stocks have escaped their August doldrums and moved steadily higher in September thanks to a series of encouraging signals on the economy. The latest came Friday morning with a report that wholesale inventories shot up in July, a sign of confidence that retail sales will pick up.

"It's becoming more evident that confidence by consumers and the labor market is improving," said Tim Speiss, chairman of EisnerAmper's Personal Wealth Advisors practice. "It's tepid. It's weak, but it's progress."

The energy sector got a lift from a jump in oil prices aftera pipeline that delivers oil to Midwest refineries was shut down. Oil companies like Chevron Corp. and Schlumberger rose.

Many of the recent improvements in economic indicators have been incremental, but given the deep pessimism that had set in during August, even faint glimmers of hope have been enough to please investors.

"There's been so much negativity that it doesn't take much in terms of data beating expectations to propel the market," said Hank Smith, chief investment officer at Haverford Investments.

About two stocks rose for every one that fell on the New York Stock Exchange, where consolidated volume was extremely low at 3.1 billion shares.