

Dow once again rises past 14,000

by: Staff and Wire Reports
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Wall Street began the fourth quarter with a huge rally Monday, pushing the Dow Jones Industrial Average up almost 200 points and into record territory above the 14,000 level for the first time in 2 1/2 months.

Fueling the surge was a growing belief by traders that the worst of the credit crisis has passed, and expectations that the Federal Reserve might make another interest rate cut at its Oct. 30-31 meeting.

Two sectors that had been hit hard — financial and homebuilding — rebounded Monday. Investors also showed renewed enthusiasm about acquisitions after Nokia unveiled an \$8.1 billion offer to buy navigation software maker Navteq Corp.

By the numbers

- The Dow rose 191.92, or 1.38 percent, to 14,087.55, surpassing its closing record of 14,000.41 set in mid-July. The blue chip index rose as high as 14,115.51 to eclipse its previous intraday high of 14,021.95 set July 17.
- The Standard & Poor's 500 index rose 20.29, or 1.33 percent, to 1,547.04, nearing its all-time trading high of 1,555.90, also reached in mid-July.
- The Nasdaq composite index rose 39.49, or 1.46 percent, to 2,740.99. The tech-laden index remains well below its high of 5,048.62, reached in 2000 when it was bloated by the dot-com boom.

Market talk

"The Fed doesn't want any pessimism, so it's going to accommodate a credit-hungry culture, and continue to reduce rates. In the meantime, the weakened dollar actually has a silver lining, and that is increased exports for the United States economy."

Fred Russell, principal of Fredric E. Russell Investment Management Co. in Tulsa.

"When money managers find themselves under-invested and shorts (short sellers) are caught, the path of least resistance is up. I've seen this movie before, and I don't have TiVo."

Elliot Spar, option and market strategist, Stifel Nicolaus & Co.

Associate Images:



Paul McGuire looks toward a quote screen Monday on the floor of the New York Stock Exchange. The Dow Jones Industrial Average surged to a record high.

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