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STOCKS AND BONDS  
Second Quarter Commences With a Rally  
By [JACK HEALY](#)

# The New York Times

Wall Street continued to rally Wednesday, lifting shares from some of their worst levels in more than a decade.

Investors essentially shrugged off a report that said the economy had lost 742,000 jobs in the private sector in March. Instead, they seemed to focus on an increase in the number of pending home sales, and a slight rise in a survey of manufacturing conditions.

The Dow Jones industrial average, which fell more than 100 points at the open, rose 152.68 points, or 2 percent, to 7,761.60. The Standard & Poor's 500-stock index jumped 13.21 points, or 1.66 percent, to 811.08, while the Nasdaq composite index gained 23.01 points, or 1.51 percent, to 1,551.60.

"Any given day is subject to this outsized bear market rally volatility," said Douglas Peta, an independent market strategist. "Although the economic data were disappointing, they were not as bad as people's worst fear. They were not quite as bad as the whisper number."

Telecommunications companies and businesses that make raw materials like plastics and chemicals led the gains, and major banks like [JPMorgan Chase](#), [Citigroup](#) and [Goldman Sachs](#) finished higher.

Shares of several automakers also rose, even as the companies reported another dismal month of sales in March.

Despite the strong start to the second quarter of the year for markets, analysts wondered how long the momentum would last.

"Every week that goes by they get more and more uncertain that this is just another dead cat bounce, another bear trap," said [Randy Cass, founder of First Coverage](#).

Analysts said that investors also seemed to be speculating that the [Financial Accounting Standards Board](#) would change accounting standards that govern how companies value their assets. The board, which has been under pressure to ease mark-to-market accounting rules, will meet Thursday.

Investors were also awaiting the outcome of the [Group of 20](#) meeting in London being attended by [President Obama](#) and other leaders.

Mr. Obama, appearing with the British prime minister, [Gordon Brown](#), tried to play down talk of a rift between the United States and European nations as they try to repair their economies.

Even though markets surged higher, the new employment data increased worries about the government's release of monthly unemployment statistics on Friday.

Economists estimate the government will report 660,000 job losses in March, and that the unemployment rate will climb to 8.5 percent, from 8.1 percent.

Businesses with more than 500 workers cut 128,000 jobs, while small and medium-size companies slashed 614,000 positions, according to the report from [Automatic Data Processing](#) and Macroeconomic Advisers.

Although investors have seized on glimmers of hope in recent reports on retail spending, factory orders and consumer prices, the [jobs report from ADP](#) underscored the relentless weakness in the labor market. Some 4.4 million jobs have vanished since the recession began in December 2007, and economists expect that the unemployment rate will crest at 10 percent.

The price of the [Treasury's](#) 10-year note rose 2/32, to 100 26/32. The yield, which moves in the opposite direction from the price, fell to 2.65 percent, from 2.66 percent late Tuesday.