



US Stocks Rally Continues; DJIA Pushes Above 10000 Briefly

By Donna Kardos
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NEW YORK (MarketWatch) -- The Dow Jones Industrial Average hit the 10000 mark briefly Wednesday afternoon for the first time in a year, fueled by positive earnings news from Intel and JPMorgan Chase ahead of a flood of more reports in the coming weeks.

The Dow had been flirting with the 10000 level throughout the session, and finally reached the psychologically important mark around 1:22 p.m. EDT. The measure hasn't traded at that level since Oct. 7, 2008, and hasn't closed above 10000 since Oct. 3, 2008. It first closed above 10000 on March 29, 1999, at 10006.78.

The Dow recently pushed back below 10000 to trade up 122 points at 9993.

The last time the Dow was at its present level was on the downside, during the full throes of unprecedented crisis on Wall Street. Traders have eagerly anticipated the average's return to a major round-number benchmark - this time, on the way higher - as an important symbol that markets are returning to normal. As has been the case since the Dow pushed above 9500 earlier this month, traders were again breaking out relics of previous moves into the 10000 level, such as hats and paperweights.

In the initial move off multiyear lows in March, stocks were boosted by some of the more beaten-down sectors, such as financials and consumer companies. However, as a now seven-month rally has progressed and pushed the Dow up 51% since its bear-market lows on March 9, all types of sectors have taken part in the gains. Wednesday is no exception, with 24 of the 30 Dow components trading higher.

"The finish line at the end of the year is in sight, and so many people are trying to lock in more gains," Randy Cass, founder and vice chairman of First Coverage. "The comfort level we are seeing is showing institutional brokers don't think that bombshell of a data point is going to come out this week or even in the next couple months."

The S&P 500 was recently up 1.3%, led by a 2.6% gain in its financial sector.

Wednesday morning, JPMorgan Chase reported better than expected results. The bank reported a ninefold increase in its earnings per share as strong investment-banking revenue outweighed another sizable provision for loan losses. The bank's shares were up 2.8% in recent action. Earnings from Citigroup and Goldman Sachs are on tap Thursday, and Bank of America is to report Friday.

At its intraday high, Goldman hit its highest point since May 7, 2008. JPMorgan hit its highest point since Oct. 3, 2008.

Also helping stocks was a pleasant earnings surprise when Intel posted a 6% decline in third-quarter profit and an 8% decline in revenue. Both figures beat expectations, and the chip maker issued a surprisingly strong revenue forecast for the current period - at a time when analysts are looking for increases in corporate sales as evidence of a broader economic rebound.

Investors also welcomed better than expected September U.S. retail sales, which bolstered bulls' case that the U.S. economy is on firmer ground.

Intel's shares were up 2.7% in recent action, helping to boost the broader technology sector. Both the tech-focused Nasdaq Composite Index and the large-cap Nasdaq 100 were recently up more than 1%.