Business

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MARKET PULSE	DOW JONES	S&P 500	NASDAQ	CRUDE OIL	NATURAL GAS	GASOLINE PRICES
	15,976.02 (**+14.32**)	1,791.53 (**-6.65**)	3,949.07 (**-36.90**)	$93.03 (**-$0.81**)	$3.62 (**-$0.00**)	$3.340 (**-$0.003**)

Stock market continues to thrive since the end of federal shutdown

Indexes top major milestones, then retreat

By Len Boselovic
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Major stock indexes topped historic milestones Monday before retreating late in the session, satisfying skeptics but prompting bulls to promise the rally has more room to run.

The S&P 500, a broad measure of the market's health, traded as high as 1,802 before closing at 1,791.53, down 6.65. The Dow Jones Industrials, an index of 30 stocks that retail investors rely on as a barometer, traded above 16,000 for most of the day before finishing at 15,976.02, up 14.32.

Monday's finish leaves the S&P 500 up 26 percent for the year while the Dow has advanced 22 percent.

"The acceleration we've seen in the last three or four weeks is really surprising to me," said Charlie Smith of Fort Pitt Capital in Green Tree. "We've been way underestimating where the market could go."

The ExOne Co., the North Huntingdon 3-D printer, led local shares, jumping $3.07 to finish at $62.82. Other big winners on a percentage basis included networking equipment provider Black Box, which rose 96 cents to finish at $26.65, and II-VI, a Saxonburg infrared and laser technology company, which closed up 25 cents at $16.02.

The biggest decliners included Consol Energy of Cecil, off $1.42 to $34.56 and for-profit school operator Education Management, which shed 47 cents to close at $12.21.

Wall Street has advanced nearly 10 percent since Congress last month ended the showdown over funding the federal government and raising the debt ceiling. Federal Reserve vice chairman Janet Yellen, nominated to replace outgoing Chairman Ben Bernanke, gave it another push last week when she said the central bank will maintain its cur-

SEE **MARKET,** PAGE A-9

Stock market continues its healthy run

MARKET, FROM PAGE A-8

rent monetary policy until there is significant improvement in the economy.

"It demonstrated that she is in fact an uber dove as many of us had suspected," said Phil Orlando, chief equity market strategist for Federated Investors.

In June, Mr. Bernanke had provided a possible timeline for beginning to taper the Fed's monthly purchase of $85 billion in federal debt securities, a policy designed to steer investors toward stocks and other riskier investments. His pronouncement marked the most recent setback for stocks, which immediately slid about 4 percent.

Ms. Yellen's assurance that the timeline has been pushed farther down the road relieved stock investors.

"The word 'tapering' has basically disappeared from the Fed's lexicon," said Malcolm Polley, chief investment officer of Stewart Capital Advisors in Indiana, Pa.

Investors are beginning to take the Fed's hint. They poured $29 billion into stock mutual funds in the third quarter while bond mutual funds saw nearly $58 billion leave their coffers, according to the Investment Company Institute, a mutual fund industry group. The money flows square with what professional investors have maintained all along: Given the current environment of low interest rates and inflation, combined with the Fed's easy money policy, stocks are the obvious choice.

"You can lose money in cash, lose money in U.S. Treasuries, and you can possibly make 10 to 12 percent in stocks," Mr. Orlando said.

The head of a Franklin Park investment firm said several major obstacles could still halt the market's inexorable climb, including the showdown over the federal budget that Congress has postponed yet again. "That's going to be a road bump and eventually the Federal Reserve is going to have to start to unwind its monetary policy," said Matt Yanni of Yanni & Associates.

Mr. Yanni believes the broad market is pretty fairly valued at current levels, so "I would not be investing all of my cash in it today."

Mr. Orlando cautioned investors not to expect the 23 percent compounded annual returns that stocks have provided over the past four years. And although he would not be surprised to see a 3 to 5 percent correction, he is not anticipating more backsliding than that and believes low double-digit returns are possible over the next few years.

"It's going to be much more of a grind than it's been over the last four or five years," he said. "Stocks are still cheap. That's the bottom line."

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