

Stocks Surge for 2nd Straight Day; S&P 500 up 2.43%

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NEW YORK—U.S. stocks posted big gains for the second straight session Thursday as strong American economic data extended a global rally that began with a surge in beaten-down Chinese equities.

The Dow Jones Industrial Average rose 369.26 points (2.27%) to 16,654.77.

The S&P 500 jumped 47.15 (2.43%) to 1,987.66, while the Nasdaq Composite Index advanced 115.17 (2.45%) to 4,812.71.

The Commerce Department reported that the U.S. economy grew at an annual rate of 3.7% in the second quarter, much higher than the 2.3% initially estimated.

The US growth report added to positive momentum from a 5.34% rise in the Shanghai stock exchange, ending the worst five-day rout for almost two decades, and solid gains in European bourses.

Stocks were positive all day, but lost most of their gains during a bumpy mid-afternoon stretch before regaining their footing.

"We have returned to a period where volatility has grown," said David Levy, portfolio manager at Kenjol Capital Management. "We've seen very intense swings."

Some investors were growing more confident after the US market held two straight days of gains.

"We went through a rocky week or two," said David Kotok, chief investment officer at Cumberland Advisors. "I think we're heading higher."

All 30 members of the Dow rose, with especially large gains in Chevron (+6.2%), General Electric (+4.2%) and Nike (+3.6%).

Other petroleum-linked stocks surged after oil prices climbed more than 10%, rebounding from deep falls. Drilling company Nabors Industries jumped 12.2%, EOG Resources gained 6.8% and ConocoPhillips added 5.7%.

Technology stocks enjoyed big gains, including Netflix (+6.8%), Tesla Motors (+8.1%) and Apple and Facebook (both +2.9%).

Metals and oil producer Freeport-McMoRan powered 28.7% higher as it announced deep cuts to its capital budget in light of weak commodity prices. Freeport now expects to spend \$4 billion in 2016, down 29% from its estimate a month ago.

PVH, which owns the Tommy Hilfiger and Calvin Klein apparel brands, rose 6.0% as it lifted its full-year profit forecast to \$6.90-\$7.00 per share, five cents above the prior range.

Bond prices were mixed. The yield on the 10-year U.S. Treasury rose to 2.19% from 2.18% Wednesday, while the 30-year dropped to 2.93% from 2.94%. Bond prices and yields move inversely.

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