

# Dow Shakes Off Drop, Roars Up 552.59

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The stock market had one of its biggest turnarounds within a day, as an early swoon turned into a rally -- giving investors hope that late-October lows will stand as the trough of the bear market.

The Dow Jones Industrial Average briefly dipped below 8000 at its intraday low, when it was down more than 300 points, before storming ahead to finish with a 552.59-point gain, up 6.7%, at 8835.25.

"We're not out of the woods yet, but this is the most encouraging thing that I've seen in a long time," said Michael Farr, president of Washington, D.C., money-management firm Farr, Miller & Washington. "I'm going to put in some of these buy tickets that have been sitting in my pocket."

The market's gains came despite continued signs of weakness in the consumer sector, an increase in weekly unemployment claims and a round of hedge-fund selling to raise cash around midday, traders said.

But after a three-day drop in which the Dow tumbled more than 7%, there was a sense that stocks had gotten cheap enough to warrant a round of bargain hunting.

The S&P 500 index rose 6.9% to 911.29, even after falling to 818.69 during the day, its lowest level since March 2003. Energy was the biggest winner, up 12% as oil futures rose for the first time in three days. Utilities, basic materials, and the consumer-discretionary sector were up nearly 8% each.

"You'd have to say this is a successful re-test of the lows," said Roger Volz, a trader at Hampton Securities in New York.

Nearly three times as many New York Stock Exchange-listed shares rose than fell. The Nasdaq Composite index gained 6.5% as [Intel](#) rose 6.6% even after cutting its sales forecast after the close Wednesday.

Stocks tumbled elsewhere in the world earlier in the day. Tokyo's Nikkei Stock Average and Hong Kong's Hang Seng index both fell more than 5% Thursday. Trading in Russia was suspended in response to battered share prices. And in Kuwait, a court shut the stock exchange until Monday, to the relief of many traders, amid big losses and protests.

Economic news in the U.S. was poor. Before the market opened, the Labor Department said weekly jobless claims rose to their highest level in seven years, since the weeks following the 2001 terrorist attacks. [Wal-Mart Stores](#), the nation's largest retailer, posted better-than-expected quarterly results but cut its full-year profit forecast.

Hedge-fund managers who face a mid-month deadline for investors to put in withdrawal requests are selling stocks to guarantee they have enough cash on hand.

Treasury prices fell, sending yields higher. The yield on the two-year note rose to 1.217% and the yield on the 30-year bond was 4.332%. The dollar fell 2.9% against the euro, snapping three days of gains, but it rose 3% against the yen.