

MarketWatch

U.S. stocks advance for second straight session

By Anora Mahmudova and Mark DeCambre
Dec 22, 2015

Consumer staples, energy and industrials lead rally

Third-quarter economic growth was revised to 2%.

U.S. stock indexes shrugged off soft economic data on Tuesday, scoring gains across the board to finish higher for a second straight session.

The Dow Jones Industrial Average DJIA, -1.26% jumped 165.65 points, or 1%, to 17,417.27, with all but one of its member closing higher. Caterpillar Inc. CAT, -1.81% advanced 4.9% to lead the blue-chip index.

Meanwhile, the S&P 500 SPX, -1.08% gained 17.82 points, or 0.9%, to settle at 2,039.97, with all 10 main sectors in positive territory.

The Nasdaq Composite Index COMP, -0.89% advanced 32.19 points, or 0.7%, to finish at 5,001.11. "Today's rally looks a lot healthier than other ones we've had recently and it can't be all due to the oil rebound, as it was relatively small," said Maris Ogg, president of Tower Bridge Advisors.

"It's possible that most of the tax-loss selling is behind us and beaten up sectors like energy are bouncing back," Ogg said. Tax-loss selling, or tax-loss harvesting, is how Wall Street investors describe unloading losing bets to offset taxes from profitable positions.

Lower volumes on Wall Street also contributed to choppy trading, leading to big swings in both directions, according to some analysts.

"I think the trading is thinning out because people are hitting the road for vacation," said Ian Winer, director of equity trading at Wedbush Securities.

On the data front, the market all but shrugged off revised gross domestic product data that were in line with market expectations.

Data showed that the economy grew at a revised 2% annual pace in the third quarter, which although slightly slower than previous estimates, wasn't weak enough to rattle traders.

Existing home sales showed a 10.5% in November decline. Home resales came in at a seasonally adjusted annual rate of 4.76 million, which would typically be a concern for investors, but analysts cited a number of temporary factors that might have influence the figure.

A rebound by U.S. crude-oil futures CLG6, -4.56% from multiyear lows offered some support for energy and materials stocks.

Mark Kepner, managing director of sales and trading at **Themis Trading**, said plunging oil has proved a headwind for the stock market and a Santa rally. He said it continues to be the key driver as investors close out the year.

"It seems that this market, with lack of other news, tends to gravitate toward oil," **Kepner** said.

Movers & shakers: Ford Motor Co. F, -3.35% and Alphabet Inc. (formerly known as Google Inc.) GOOGL, -0.04% could be teaming up to build self-driving cars, according to a report in Automotive News. Shares of Ford rose 3.4%, while those for Alphabet gained 0.8%.

ConAgra Foods Inc. CAG, +1.05% rose 1.1% after posting second-quarter profit that beat expectations.

Shares of energy companies Ensco PLC. ESV, -9.91% and ONEOK Inc. OKE, -5.60% jumped 6.3% and 5.8% respectively on the back of stronger oil prices, making them the top gainers on the S&P 500.

Other markets: European markets were also marred by volatile trading and closed mixed.

Asian stock markets closed mixed, with shares in China SHCOMP, +2.25% staging a comeback to close higher, while Japanese stocks NIK, -0.99% ended slightly lower.

The dollar DXY, +0.06% fell against most other major currencies, while gold prices settled lower, down 0.6% at \$1,074.10 an ounce, pulling back after two straight session of gains.