

Stocks Soar On Investor Confidence --- Dow Industrials Surge 63.86 as Nasdaq Index Advances to a Record

By Douglas R. Sease . Wall Street Journal , Eastern edition; New York, N.Y. [New York, N.Y]03 Apr 1991: PAGE C1.

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ABSTRACT (ABSTRACT)

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"Many stocks had pulled back to attractive prices," said A.C. Moore, a portfolio manager at Argus Investment Management. "But that was just a typical pullback, and the positive dynamics of the market remained in place. This big gain is just a resumption of the overall move up."

Mr. Moore said that although the Dow industrials usually lead market advances, the record set yesterday by the Nasdaq Composite is encouraging. "It's actually a healthier market when the Dow doesn't lead," he said. "It's indicative of how broad the appeal of stocks is." He added that the Dow should soon break through its record of 2,999.75. "It's just a matter of when, not if," he said.

FULL TEXT

Investors surged into stocks yesterday, confident that the market is headed even higher.

The Dow Jones Industrial Average soared 63.86 points to 2945.05 in active trading. And heavy buying of smaller stocks propelled the Nasdaq Composite Index, a measure of small-stock prices, to a record.

Treasury bonds rose, too, but the dollar fell against the mark and the yen.

Analysts said yesterday's big stock-price rally was triggered by the 32.67-point slump Monday, which gave investors anxious to be in the market a prime opportunity to buy shares.

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Investors placed their bets yesterday on some of their longtime favorites, buying consumer-growth stocks such as

Coca-Cola and Philip Morris, for example. They continued to shun heavily cyclical industries such as steel and trucking.

While stock prices continue to rise, there are few indicators other than an increase in consumer confidence that show the nation's economy rebounding from recession. Mr. Moore said evidence that economic growth is resuming should begin to turn up around midyear.

But some money managers aren't as confident that the economic rebound will occur soon. Suzanne Zak, a managing director at J.&W. Seligman and head of its Seligman Growth Fund, said she is hearing very little good news from the corporate managers she interviews as part of her stock-picking research.

"If you have enough companies telling you that conditions are lousy, you don't need an economist to tell you the same thing," she said.

In major market action:

Stock prices rebounded in active trading. Volume on the New York Stock Exchange totaled 189.5 million shares. Advancing issues on the Big Board were ahead of decliners 1,193 to 447.

Bond prices rose. The Treasury's benchmark 30-year bond gained nearly half a point, or almost \$5 for each \$1,000 face amount. The yield on the issue slipped to 8.21%.

The dollar fell. In late New York trading the currency was quoted at 1.6705 marks and 137.90 yen, compared with 1.6720 marks and 139.30 yen Monday.

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