

BUSINESS & FINANCIAL OVERVIEW

Upbeat Manufacturing Data Leads To Rally On Wall Street - U.S.

Stocks showed a substantial move to the upside during the trading day on Monday, adding to the strong gains posted last week. With the upward move, the Dow and the Nasdaq ended the session at their best closing levels in nearly six months.

The major averages reached new highs late in the session but gave back ground going into the close. The Dow jumped 329.74 points or 1.3 percent to 26,258.42, the Nasdaq soared 99.59 points or 1.3 percent to 7,828.91 and the S&P 500 surged up 32.79 points or 1.2 percent to 2,867.19.

The rally on Wall Street reflected continued optimism about U.S.-China trade talks as well as a positive reaction to upbeat U.S. and Chinese manufacturing data.

Official data showed Chinese manufacturing activity unexpectedly grew for the first time in fourth months in March. A private survey also showed the manufacturing sector in the world's second biggest economy returning to growth.

Additionally, Beijing announced that it will continue to suspend additional tariffs on U.S. vehicles and auto parts after April 1 as a gesture after Washington delayed tariff hikes on Chinese imports.

A delegation led by Chinese Vice Premier Liu He is headed to Washington later this week for another round of trade talks. Further buying interest was generated by a report from the Institute for Supply Management unexpectedly showing a faster rate of growth in U.S. manufacturing activity in the month of March.

The ISM said its purchasing managers index rose to 55.3 in March after falling to 54.2 in February, with a reading above 50 indicating growth in the manufacturing sector. Economists had expected the index to come in unchanged.

"Comments from the panel reflect continued expanding business strength, supported by gains in new orders and employment," said Timothy Fiore, Chair of the ISM Manufacturing Business Survey Committee.

Meanwhile, traders largely shrugged off a Commerce Department report showing an unexpected decrease in U.S. retail sales in February, as the report also showed a significant upward revision to the increase in sales in the previous month.

The report said retail sales dipped by 0.2 percent in February after climbing by an upwardly revised 0.7 percent in January.

Economists had expected sales to rise by 0.3 percent compared to the 0.2 percent uptick originally reported for the previous month.

Excluding a rebound in sales by motor vehicle and parts dealers, retail sales fell by 0.4 percent in February after jumping by a revised 1.4 percent in January.

