

**BUSINESS & FINANCIAL OVERVIEW**

## Nasdaq, S&P 500 Reach Five-Month Closing Highs - U.S. Commentary

Stocks fluctuated early in the session but moved mostly higher over the course of the trading day on Friday. With the upward move on the day, the Nasdaq and the S&P 500 reached their best closing levels in five months.

The major averages ended the day well off their highs of the session but still firmly in positive territory. The Dow climbed 138.93 points or 0.5 percent to 25,848.87, the Nasdaq advanced 57.62 points or 0.8 percent to 7,688.53 and the S&P 500 rose 14.00 points or 0.5 percent to 2,822.48.

With the gains on the day, the major averages moved notably higher for the week. The Dow jumped by 1.6 percent, while the S&P 500 surged up by 2.9 percent and the tech-heavy Nasdaq soared by 3.8 percent.

The strength on Wall Street came amid optimism about U.S.-China trade talks as well as indications of more Chinese economic stimulus.

Chinese Premier Li Keqiang pledged support for the slowing economy during his annual news conference at the end of the National People's Congress.

Li said the country could use reserve requirements and interest rates to prevent a sharper deceleration in the world's second-largest economy.

Traders largely shrugged off the release of some disappointing U.S. economic data, including a Federal Reserve report showing industrial production rose by much less than expected in the month of February.

The Fed said industrial production inched up by 0.1 percent in February after falling by a revised 0.4 percent in January.

Economists had expected production to climb by 0.4 percent compared to the 0.6 percent drop originally reported for the previous month.

The uptick in production came as a spike in utilities output and an increase in mining output was largely offset by a continued drop in manufacturing output.

"The further decline in manufacturing output in February confirms that the global industrial slowdown is now weighing more heavily on U.S. producers," said Andrew Hunter, Senior U.S. Economist at Capital Economics.

He added, "With tighter fiscal and monetary policy constraining domestic demand, the weaker external environment is another reason to expect a sustained slowdown in economic growth this year."

A separate report from the New York Fed showed an unexpected slowdown in regional manufacturing growth in the month of March.

