

## Stocks surge, with the Dow gaining 1,000 points, on oil rally and strong holiday sales

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### Bear market? What bear market?

Stocks roared back on Wednesday, with the Dow surging more than 1,000 points, as investors shrugged off a rout two days earlier that had put the Standard & Poor's 500 on the brink of a bear market.

Reports of strong retail sales during the holidays and a rally in oil prices helped to boost stocks the day after Christmas when the markets were closed. Concerns about the fate of the Federal Reserve chairman, Jerome Powell, also seemed to evaporate after White House reassurances that President Donald Trump has no plans to fire him.

The Dow Jones Industrial Average surged 1,086 points, or 5 percent, to end at 22,878. It is now 14.7 percent off its 26,828.39 closing record high on Oct. 3.

The S&P 500 increased 117 points, or 4.96 percent, to finish at 2,468 on Wednesday. The index is now 15.8 percent lower than its 2,930.75 closing record high on Sept. 20.

The tech-heavy Nasdaq – which fell into bear territory on Friday but recovered on Wednesday – jumped 361 points, or 5.84 percent, to close at 6,554. The Russell 2000 – an index of small-company stocks that's still in a bear market – added 63 points, or 4.98 percent, to close out at 1,330.

A bear market is when an index falls 20 percent or more from its most recent closing high.

"There are more people who believe that we're not going into a recession and they are taking advantage to buy stocks at good valuations," said Jimmy Lee, CEO of The Wealth Consulting Group in Las Vegas. "But I wouldn't be surprised if there is selling into the rallies. It should be volatile for a while."

Crude oil prices leaped 10.37 percent to \$46.94 on Wednesday afternoon. Shares of Exxon finished up 4.78 percent to \$68.64, while Chevron stock rose 6.32 percent to end at \$107.37.

News from the retail front on Wednesday also showed the American consumer is healthy. Holidays sales increased 5.1 percent this year to more than \$850 billion, marking the best season in six years, according to data from Mastercard on Wednesday. Online sales grew 19.1 percent year over year.

The news comes after Amazon announced Wednesday morning that the retailer had "more items ordered worldwide than ever before," according to a company press release.

Amazon stock jumped 9.45 percent to close at \$1,470.90.

The drama that gripped the White House days ago also has subsided some. Kevin Hassett, an adviser to Trump, said Wednesday that Fed Chair Powell was "100 percent" safe in his position as the central bank head. Over the weekend, Trump reportedly considered firing the Powell, blaming the stock market swoon on the Fed's interest rate hikes.

That, along with the partial government shutdown, the removal of Defense Secretary James Mattis earlier than his planned February departure, and Treasury Secretary Steve Mnuchin's unsuccessful efforts to reassure investors roiled markets on Christmas Eve Day.

Despite Wednesday's rally, market watchers remain wary. The S&P 500 is near its worst December performance ever and the Dow remains close to turning in the worst December since 1931.

"I'm not convinced this is a turnaround rally," said Benjamin Lau, chief investment officer of Apriem Advisors in Irvine, California. "It's still a seller's market."