



Stocks: Can good economic news gather steam?

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NEW YORK -- The first "growth scare" of 2014, which surfaced last Friday with a "dismal" December jobs report, seems to have faded quickly on Wall Street, which still is betting on continued improvement for the U.S. economy this year.

The Dow Jones industrials shot up 116 points Tuesday, rebounding from an 180-point dip Monday, its worst dive since Nov. 20. Providing the bullish jolt for the stock market, which is off to a slow start in 2014, was a "trifecta" of good economic reports, notes **Bernard Baumohl, chief global economist at The Economic Outlook Group.**

"Anyone worried about the health of the economy after last week's dismal jobs report now has less to be concerned about," **Baumohl** told clients Tuesday. "We got a trifecta of good news (Tuesday): December's retail sales (up 0.2%) turned out to be better than expected, import inflation (was flat) and remains non-existent, and small-business confidence increased last month as

firms expressed more optimism that sales and profits will pick up the next six months."

The question now is whether incoming data will continue to point to stronger growth. On Wednesday, Wall Street gets the latest reading on business conditions in the New York metro area, when the Empire Manufacturing index is released. Wall Street is expecting a January reading of 3.5 up from a prior reading of 1. The Federal Reserve also will release its latest economic snapshot from around the country.

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