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## Wall Street shook investors with new records for the Dow

By Susan Tompor (excerpt)  
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The stock story for 2014 was one that many never could quite believe, all during the ride up to the Dow 18,000.

Who'd have thunk it?

The Dow Jones Industrial Average closed the year after a rough day today at 17,823.07 points. It rose 7.5% for 2014.

The Standard & Poor's 500 rose 11.4% for the year.

The average gain for U.S. stock mutual funds was 9.07% for the year through Dec. 30, according to Morningstar. That compares with an average of 34.35% for 2013.

The average gain for U.S. investment-grade bond funds was 3.09% for the same time, compared with a loss of 1.27% in 2013.

To be sure, New Year's Eve trading on Wall Street handed investors a miserable flat can of cola in the final hours instead of a bubbly glass of champagne. The Dow fell by 160.07 points today and lost 0.89% for the day.

No, 2014 was nothing close to the 26.5% gain in 2013 for the Dow. But then again, it wasn't too shabby to see the Dow break new records.

During the past year, the Dow gained nearly 1,500 points to close at a record high of 18,053.71 points on Dec. 26.

Strong gains for stocks are goosing up many a 401(k) but again, many individual investors are looking at their statements in disbelief.

Just in October, after all, Wall Street was on edge about the Ebola virus and global economic weakness. It did not look good, as the Dow had a string of triple-digit losses back then.

The top surprise of 2014 was seeing oil prices plunge as much as they did. ...

... The best performing category was U.S. large cap stocks; the worst involved energy-related stocks because of declining oil prices. ...

... Many analysts warn that 2015 could be a more volatile year for stocks, particularly if the Fed begins raising interest rates in the summer. Gains for stocks overall could be in the mid-single digits, some analysts say.

David Kudla, CEO of Mainstay Capital Management in Grand Blanc, said markets will experience volatility, but stocks ultimately will head higher in 2015.

"The U.S. market is no longer undervalued, but it is not overvalued yet, either," Kudla said. "Pendulums do not stop swinging at the bottom of their stroke. The U.S. market has further to run." ...

... The bull market is zooming close to its sixth birthday. The Dow has gained more than 11,000 points — up about 172% — since the dark days on Wall Street in March 2009. The Dow closed at 6,547.05 points March 9, 2009.

The stock market buzz, of course, has been muted on Main Street, because many people cannot overlook the brutal bear markets in 2000-02 and then again in 2007-09. ...

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