

BREAKING

# S&P 500 Breaks 5,000 For First Time In History

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*I cover breaking news with a focus on markets and sports business.*

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**TOPLINE** The S&P 500 topped 5,000 for the first time ever Thursday, a weighty breakthrough as the stock market navigated a challenging economic environment and a devastating 2022 to new heights.



Say what? Introducing the S&P 5,000. GETTY IMAGES

## KEY FACTS

- The S&P gained a modest 0.1% to as high as 5,000.40 shortly before markets closed at 4 p.m., breaking its prior intraday high of 4,999 set Wednesday.
- The benchmark stock index, which tracks the share prices of 500 of the largest American public companies, is up 5% year-to-date and 43% from its October 2022 nadir of below 3,500, when investor fears peaked about the direction of interest rates amid stubbornly high inflation.
- Somewhat unbelievably, rates did in fact rise dramatically—the target federal funds rate of over 5% is the highest level since 2001—but the stock market defied the losses typically associated with such cycles as corporate earnings and consumer spending both proved surprisingly resilient.
- The S&P closed at 4,997.97, its highest end-of-day price ever.
- The Dow Jones Industrial Average also traded at near a record high Thursday, as the blue chip stock index's 38,700 level was 35% above its 2022 bottom, but the tech-heavy Nasdaq remains 3% below its 2021 peak.

#### CRUCIAL QUOTE

The S&P breaking 5,000 is an “important milestone” not just because it’s a “round number” but because it signifies “the confidence that investors have in corporate America's earnings power and the strength of the economy,” George Ball, chairman of Sanders Morris Harris, wrote in emailed comments.

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## KEY BACKGROUND

After crashing in March 2020, major stock indexes surged to record highs by late 2021 and early 2022, when interest rates sat near zero, stimulating the economy and encouraging investment in the stock market. Rates surged from close to zero to their current 5.25% to 5.5% range from early 2022 to July 2023 as the Federal Reserve moved to curb inflation. Higher rates typically cause stocks to move lower as corporate profits weaken due to higher borrowing costs and elevated bond returns draw capital away from the stock market. But 2023 and the early weeks of 2024 have been defined by renewed investor optimism as moderating inflation [bolsters the case](#) for growth-friendly rate cuts, highlighted by an inflection in earnings toward positive, albeit muted, expansion. Last month, the S&P [set](#) a new all-time high for the first time since January 2022, an [unusually long](#) stretch between records.

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I'm a New Jersey-based Senior Reporter on our news desk. I graduated in 2021 from Duke University, where I majored in Economics and served as sports editor for The Chronicle, Duke's student newspaper. Send tips at [dsaul@forbes.com](mailto:dsaul@forbes.com). **Read Less**

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