Stocks pushed higher Tuesday, with traders pointing to a slow but steady stream of new money heading into the market and lifting prices as first quarter earnings season gets under way.

"The general theme is one of cautious optimism," said Daniel McMahon, director of equity trading at Raymond James Associates Inc. "People have been treading water, looking for opportunities to add stocks while we wait for the next catalyst," said Mr. McMahon. "Everyone's calling for a correction or pullback, but any pullback has been met with bids."

Money heading in the doors of mutual funds that invest in U.S. stocks, and the fading concerns over potential trouble-spots such as the Cypriot banking bailout and Washington's budget debate, have made portfolio managers more active in shifting positions, said Tom Carter, a Los Angeles-based managing director at brokerage firm JonesTrading Institutional Services LLC. "The dissipation of these macro headwinds has had a big impact," Mr. Carter said. "Individual investors have decided, 'Hey, maybe I should get involved with stocks.'" That, he says, has been a key part of the lift to stock prices since the start of the year.

Investors' attention is turning to corporate profits as Alcoa's quarterly results late Monday kicked off the latest round of earnings reports.

"The Standard & Poor's 500-stock index added 5.54 points, or 0.4%, to 1568.61, capping its first two-session streak of gains since mid-March. The benchmark had alternated between daily advances and losses the past 13 sessions, the longest such zigzagging stretch on record. The Dow Jones Industrial Average rose 59.98 points, or 0.4%, to 14673.46. The Nasdaq Composite Index jumped 15.61 points, or 0.5%, to 3237.86. "The general theme is one of cautious optimism," said Daniel McMahon, director of equity trading at Raymond James Associates Inc.

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estimates, but revenue that fell more than expected.

**Related Video**

MarketWatch's Christopher Noble discusses what stocks you should invest your money in now according to four strategists who ranked among the best S&P 500 forecasters in 2012.

**In The Markets**

- *MarketBeat: The 'Great Rotation' That Isn't So Great*

Investors are turning their attention to the start of earnings season.

- **J.C. Penney** tumbled after it ousted Chief Executive Ron Johnson, replacing him with **Myron Ullman**, the former head of the department-store operator.

**Corrections Corp. of America**, the country's largest owner of private correctional and detention facilities, gained after it authorized a one-time dividend of $6.63 a share. The company’s conversion to a real-estate investment trust requires it to distribute previous earnings.

On the economic front, U.K. industrial production for February increased 1% on the month, topping expectations of a 0.5% rise, and helping allay some concerns that the economy contracted again in the first quarter.

China’s consumer-price index, a measure of inflation, rose at a slower clip in March than in February, which investors interpreted to mean monetary policy was likely to remain relatively accommodative.

The National Federation of Independent Business said its small-business optimism index for March fell from a month earlier, matching economists’ expectations. A report on wholesale inventories showed an unexpected drop in February, suggesting businesses drew down on their stockpiles of goods to meet rising demand.

European markets edged mostly higher, with the Stoxx Europe 600 edging up 0.1%.

Asian markets mostly rose. China’s Shanghai Composite tacked on 0.6%. Japan's Nikkei Stock Average shed less than 0.1% to snap a four-session win streak.

May crude-oil futures added 0.9% to settle at $94.20 a barrel, while April gold futures advanced 0.9% to settle at $1,586.20 a troy ounce. The dollar slipped against the yen and the euro.

**Starwood Property Trust** fell after the real-estate lender unveiled a stock sale.

**Herbalife** eased after the nutritional-supplement company confirmed that KPMG has resigned as its auditor, following a disclosure by the accounting firm that it had fired a senior partner in its Los Angeles office over alleged insider-trading tips.

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*A version of this article appeared April 10, 2013, on page C4 in the U.S. edition of The Wall Street Journal, with the headline: Stocks Stop Their Dance, Find a New High.*