

Major U.S. stock indexes hit a record high Thursday as the White House reached a "principled agreement" with Beijing to resolve the 17 month long U.S. - China trade war, according to a source familiar with the trade talks. The trade war has stirred up financial markets in the past two years.

Early gains came as US President trump tweeted that the US was close to reaching an agreement with China and that a new round of US tariffs on Chinese goods would take effect on Sunday. Later, it was reported that the two countries had reached a "principled agreement".

The stock market has been following the news of a new round of tariffs, which it hopes will be delayed at least as the world's two largest economies make progress towards a preliminary trade agreement.

"If the two sides do reach an agreement, it will also be a long and painful process," said Rick meckler, partner of Cherry Lane investments. "of course, this is what the market has been expecting, and it may be the ultimate factor limiting the stock market's trend in the near future. "

The Dow Jones industrial average. DJI rose 220.75 points, or 0.79 percent, to 28132.05. The SP 500 index. SPX rose 26.94 points, or 0.86 percent, to 3168.57. The NASDAQ ixic index. Ixic rose 63.27 points, or 0.73 percent, to 8717.32.

All three indexes hit record highs in the market, while the S & P 500 and Nasdaq both reached record closing highs.

Given the ups and downs of the long-running Sino US trade war, investors are cautious about believing too much in the development of the trade situation.