



Futures Hold Losses After Jobs Report

EARNINGS, INVESTMENT STRATEGY, ECONOMY, STOCK MARKET
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Stock index futures briefly eased off their morning lows after the government said jobless claims were unchanged for the week but showing a longer-term trend that the labor market was beginning to recover.

The Labor Department said the four-week moving average for jobless claims, which smoothes out the volatility of the weekly numbers, hit its lowest level in almost a year. The weekly number was flat at a seasonally adjusted 505,000 for the week ended Nov. 14.

Stocks continued to point to a lower open, with Dow futures quickly erasing as much as about 30 points off their earlier losses before turning lower again. The bluechip index was likely to open down more than 0.5 percent.

In company news, **Time Warner** unit **AOL** is expected to lay off about one-third of its workforce as the company is pushing aggressively to cut costs in preparation for its spinoff.

Reports indicated that AOL was asking about 2,500 workers to take voluntary layoffs in an effort to cut \$300 million in annual operating costs.

Stocks were set to extend the previous session's losses at the opening bell Thursday, with European stocks dragging on sentiment as miners and food producers struggled.

The fate of US stocks continues to be inversely correlated with the dollar. The US currency posted gains in early trading, with the dollar index rising 0.5 percent to send commodities, including gold and oil lower.

JPMorgan Chase shares fell nearly 1 percent in premarket trading after the company announced it is buying the half of European investment bank Cazenove that it doesn't own, in a deal valued at \$3.4 billion.

At the same time, Keefe, Bruyette & Woods said JPMorgan is likely to increase its dividend in early 2010 due to its capital position and recent repayment of government bailout money.

Economic numbers are likely to drive today's market action following Wednesday's modest losses, and increasingly light volume could make the markets more volatile. Volume has become unusually light, with many institutions either getting very defensive or simply moving to the sidelines to lock in solid gains for the year, traders told CNBC.

At 8:30 am New York time, the Labor Department is out with its weekly read on first time claims for unemployment benefits. Economists are expecting claims to rise to 510,000, which would be up slightly from last week's reading of 502,000.

At 10 am, the Conference Board's Index of Leading Economic Indicators is expected to rise 0.5 percent for October, following a 1 percent gain the prior month. And the Philadelphia Fed survey reading has a consensus forecast of 11.8, compared to last month's 11.5.

The last remnants of earnings season trickled in, with **Sears Holding** providing an upside surprise due to the first positive performance from Kmart in several quarters. Sears shares rose 3.3 percent in premarket trading.

Also out this morning: **Ross Stores**, **Gamestop**, **Williams-Sonoma**, and **Dick's Sporting Goods** .

Dallas Fed President Richard Fisher continues the recent spate of Fed commentary, although his speech to the Cato Institute's annual monetary policy conference won't take place until 4:45 pm, after the market closes. And at 4:30 pm, the Fed will be out with its latest balance sheet figures.

Among stocks likely to be active, **Limited Brands** reported a larger than forecast quarterly loss, although its revenues were in line with Wall Street estimates.

Insurer Aetna is cutting 625 jobs, or about 1.8 percent of its workforce.

Blackstone Group is reportedly about to acquire food maker **Birds Eye** for more than \$1.3 billion. Birds Eye would become part of Blackstone's Pinnacle Brands unit, which owns such familiar brands as Duncan Hines and Swanson.

- Written by Peter Schacknow, Senior Producer, CNBC Breaking News Desk

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