U.S. stocks hit by surprise rise in jobless claims
Technical analyst points to ‘ominous signal’

By Kate Gibson
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NEW YORK (MarketWatch) — U.S. stocks fell on Thursday, extending losses into a fourth day for the Standard & Poor's 500 Index, as equities and commodities were hit again after a surprise rise in jobless claims.

“A litany of potentially bearish data points is mounting,” wrote Richard Ross, global technical strategist at Auerbach Grayson & Co., who cited among other indicators “textbook ‘blow-off’ tops” in gold, silver and crude oil.

“History has shown that when (Treasury) yields, stocks and commodities fall simultaneously, it can actually be an ominous signal that the market is picking up subtle signs of the destructive deflation we saw in 2008, rather then the healthy disinflation which is emblematic of a strong bull market, Ross wrote in an emailed note.

Down for the third session this week, the Dow Jones Industrial Average (DOW:DJIA) fell as much as 120 points, and was lately off 84.99 points at 12,638.59.

The Standard & Poor's 500 Index (CME:INDEX:SPX) was off 6.63 points at 1,340.69.

Shedding its declines, however, the Nasdaq Composite Index (NASDAQ:COMP) was up 1 points at 2,829.23.

Both the S&P 500 and the Nasdaq have finished with losses the past three sessions, while the Dow industrials managed to eke out a fractional gain of less than half a point on Tuesday.

Oil, gold and silver futures fell, part of a broad pullback in commodities.

Ahead of Friday’s monthly payrolls report, the government on Thursday said claims for unemployment benefits unexpectedly climbed last week, with auto-plant closures among the factors cited.
Jobless claims rose by 43,000 to 474,000 in the past week. Economists polled by MarketWatch had expected claims to decline to 412,000.

A separate report said U.S. productivity slowed in the first quarter, rising at an annual rate of 1.6% compared to a 2.9% increase in the prior quarter.

“The analyst at the Labor Department is saying that the one-time factors were solely responsible. Hopefully they are right, but claims are above 400,000 for a fourth straight week,” said Peter Boockvar, equity strategist at Miller Tabak & Co.