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Decline in layoffs helps stocks

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NEW YORK — Investors are getting enthusiastic about stocks again after some reassuring news from the job market.

Stocks rose for a third straight day Thursday on the Labor Department's report of a larger than expected drop in the number of newly laid-off people seeking unemployment benefits. The Dow Jones industrial average rose 121 points after climbing 275 Wednesday and advancing modestly Tuesday. The 4.7 percent gain in that time is the Dow's best three-day move since mid-May.

Employment news has been the key driver behind the market's moves during the past few weeks. Thursday's news was a welcome change from a string of disappointing jobs reports, including the government's June employment numbers, that have pounded

climb, again

stocks recently.

The Labor Department said initial claims for jobless benefits fell last week to their lowest levels since early May. Claims fell to 454,000, better than the 465,000 forecast by economists polled by Thomson Reuters.

High unemployment has dragged down consumer confidence, which in turn has slowed spending. And because consumers account for about 70 percent of U.S. economic activity, the recovery is unlikely to gain much momentum unless consumers are feeling more secure about spending.