Jobless claims, exports fall

BY CHRISTOPHER S. RUGABER
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WASHINGTON — The picture of a steady but still sluggish recovery emerged from reports Thursday that showed fewer people are claiming unemployment aid while U.S. exports are slowing.

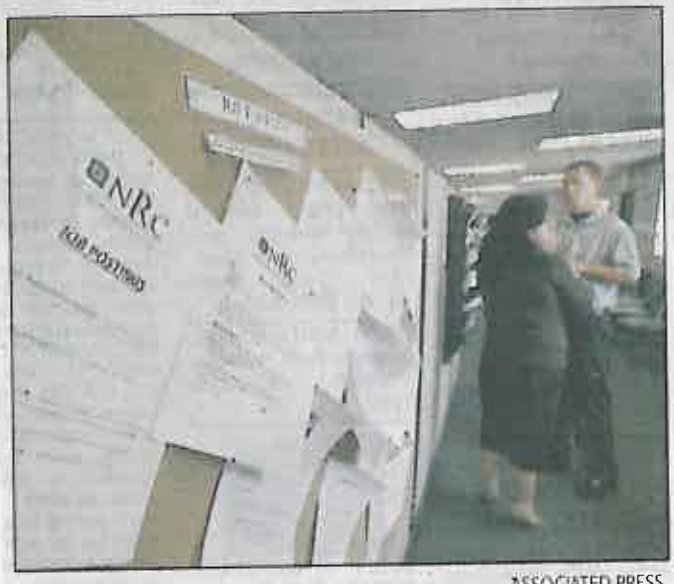
The reports echo Federal Reserve Chairman Ben Bernanke's suggestion this week that the rebound will remain intact despite high unemployment, a fragile housing market and Europe's debt crisis. But it will take time to create enough jobs to bring down the 9.7 percent unemployment rate.

Initial unemployment claims fell by 3,000 to a seasonally adjusted 456,000, the Labor Department said Thursday. That's the third straight drop. However, claims haven't moved below where they stood in January.

At the same time, the tally of laid-off workers continuing to claim jobless benefits fell to 4.5 million. That's the largest decline in almost a year.

A weakening in U.S. sales overseas could hurt the job market. The Commerce Department said the U.S. trade deficit rose to the highest level in 16 months as exports fell for the second time in three months. Exports have been a source of strength for U.S. manufacturers.

A bright spot for the recovery are near-record low mortgage rates that fell again this week. Rates on 30-year fixed mortgages dropped to 4.72 percent.



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In this May photo, job postings are displayed at a job placement center in Fremont, Calif. The tally of laid-off workers continuing to claim jobless benefits fell by the largest amount in almost a year in May.