Light starting to shine at end of economic tunnel

New jobless claims fall more than expected

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Associated Press

WASHINGTON — New jobless claims fell more than expected last week but are stuck at elevated levels, while the number of people continuing to receive unemployment insurance approached 6 million, setting a record for the 10th straight week.

Government data released Thursday bolster recent projections from the Federal Reserve and private economists that the nation's job market will remain weak into next year as companies purge thousands more workers.

The Labor Department said the tally of initial jobless claims fell to a seasonally adjusted 654,000, down from a revised 674,000 the previous week. Analysts expected claims to drop to 660,000.

But the total number of laid-off Americans receiving unemployment rose to 5.84 million, from 5.75 million. That was the most on records dating from 1967 and higher than analysts expected.

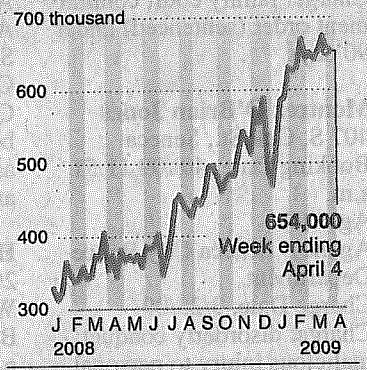
The data show "no hint of a slowdown in job losses," John Ryding, chief economist at RDQ Economics, wrote in a note to clients.

The four-week average of jobless claims, which smooths out fluctuations, fell slightly to 657,250, the first drop after 11 straight increases, according to the Labor Department.

Still, the declines are from very high levels. The 674,000 figure was the highest number of initial claims in the current recession and the most in 26 years, though the labor market has grown by half since then.

Jobless claims

Initial claims for unemployment benefits decreased by 20,000 in the first week of April.



SOURCE: Department of Labor AP

Wells Fargo earnings send market surging

TIM PARADIS
Associated Press

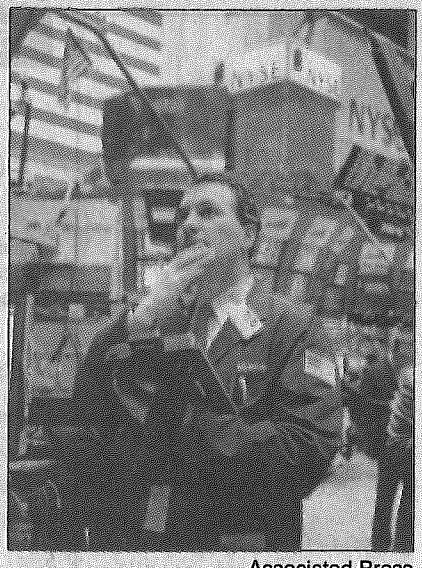
NEW YORK — Stocks surged Thursday to their highest levels in two months after banking giant Wells Fargo & Co. surprised the market with an early profit report that blew past analysts' expectations thanks to a strong pickup in its lending business.

The Dow Jones industrial average jumped nearly 250 points and major market indexes logged their fifth straight week of gains. Markets are closed for Good Friday.

Investors have been grasping at any sign of improvement in the crippled banking industry, and Wells Fargo's report Thursday that it expects first-quarter earnings of $3 billion provided an encouraging sign that a deep freeze in borrowing activity may finally be thawing. Wells Fargo said it benefited from its January acquisition of Wachovia and an increase in mortgage applications.

According to preliminary calculations, the Dow rose 246.27, or 3.1 percent, to 8,083.38. It was the blue chips' first close above the 8,000 mark in nearly a week and the highest finish since Feb. 9. The Dow hadn't logged five straight weekly gains since Oct. 2007, the stock market's peak.

The Standard & Poor's 500 index rose 31.40, or 3.8 percent to 856.5.



Associated Press

Investors dove into stocks on Thursday as global efforts to end the financial crisis fed the market's newfound optimism that the economy is on the mend.