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Stocks posted gains Friday despite double-digit unemployment numbers as investors took comfort in the possibility of continued low interest rates.

Stocks post modest gains as job losses slow

Likelihood of continued low interest rates reassures investors

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NEW YORK — Investors undaunted by a surprisingly weak jobs report found enough positive news to nudge stocks higher Friday.

News that the nation's unemployment rate rose above 10 percent last month for the first time in 26 years didn't derail the stock market's strong gains in the week, which lifted major indexes more than 3 percent.

The rise in joblessness to 10.2 percent in October, while bad news for the economy, reassured some investors that the Federal Reserve will have to hold interest rates low for some time. That tends to weaken demand for the dollar, which in turn gives a boost to stocks.

"We got data today that suggests that interest rates are going to be on hold for a while," said Max Bublitz, chief strategist at SCM Advisors.

When the dollar is weaker, U.S. goods are cheaper for buyers overseas. Companies that do business overseas also get a profit gain when their earnings are translated back into dollars.

Safe-haven assets like Treasurys were mixed. Oil prices tumbled and gold topped $1,100 an ounce for the first time. Gold benefits when investors are worried about a weak dollar and inflation.

The jobs report bodes poorly for consumer spending, a key driver of the economy.

"The consumer remains cautious and if they remain cautious they don't spend," said Michael Feser, president of Zecco Trading.