

REUTERS

Tech stocks pull Wall St lower, offsetting jobs data bump

By Shreyashi Sanyal
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Dec 7 (Reuters) - A drop in technology stocks weighed on Wall Street on Friday, offsetting strong oil prices and a U.S. jobs report that was tepid enough to lower bets for faster future interest rate hikes without fanning fears of an economic slowdown.

Nonfarm payrolls increased by 155,000 last month, but missed economists expectation of 200,000, a Labor Department report showed. The annual wage rise also matched October's jump, indicating growth was not fast enough to overheat inflation.

The data helped stock futures sharply pare losses and even sent the market higher at one point.

"At this point people are more concerned about the Federal Reserve. So this gives more ammunition for the Fed not to move and to kind of pull back," said **Joe Saluzzi**, co-manager of trading at **Themis Trading** in Chatham, New Jersey.

"It's that fine balancing act that we always look for, that kind of Goldilocks mentality. I think that number is actually a good number where it shows that there is a positive jobs number, but it's not too good."

After the report, traders continued to bet the Fed would raise rates a fourth time in 2018 later this month, but pared expectations slightly for the single hike next year that markets have been expecting.

Also helping the market was a more than 4 percent jump in oil prices as big Middle East producers in OPEC agreed to reduce output to drain global fuel inventories and support the market.

The energy sector jumped 2.25 percent - the most among the 11 major S&P sectors. The materials index was up 1.02 percent.

But technology stocks slid 1.02 percent, with Apple Inc and Microsoft Corp down more than 1 percent and weighing the most on the S&P and the Nasdaq.

At 10:14 a.m. ET, the Dow Jones Industrial Average was down 45.02 points, or 0.18 percent, at 24,902.65, the S&P 500 was down 7.00 points, or 0.26 percent, at 2,688.95 and the Nasdaq Composite was down 47.79 points, or 0.66 percent, at 7,140.47.

Still, advancing issues outnumbered decliners by a 1.87-to-1 ratio on the NYSE and a 1.36-to-1 ratio on the Nasdaq.

The S&P's 50-day moving average fell below its 200-day moving average in intraday trading, a phenomenon known as a "death cross" and one that stands as a bearish near-term signal only if it holds through the close.

Broadcom Inc climbed 3.2 percent after strong demand helped the chipmaker beat quarterly revenue and profit estimates.

Altria Group Inc rose 2.1 percent after the Marlboro cigarette maker took a \$1.8 billion stake in Canadian cannabis producer Cronos Group Inc, whose U.S.-listed shares jumped 21.0 percent.

The S&P index recorded six new 52-week highs and two new lows, while the Nasdaq recorded nine new highs and 38 new lows.