



Stocks Stall Amid Jobs Jitters

By Matt Egan
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There's No Business Like FOX Business

Stocks finished essentially where they started on Wednesday -- ending Wall Street's three-day win streak -- as enthusiasm for the best ISM service-sector report since the beginning of the Great Recession was countered by jitters ahead of Friday's jobs report.

Today's Markets

The Dow Jones Industrial Average fell 9.22 points, or 0.09%, to 10396.76, the Standard & Poor's 500 rose 0.48 points, or 0.04%, to 1118.79 and the Nasdaq Composite sank 0.11 points, or less than 0.01%, to 2280.68. The FOX 50 dropped 0.02 points, or less than 0.01%, to 804.78.

The market action was strikingly similar to Tuesday's as an early rally fizzled amid very light trading volume and the Dow failed once again to close above the unchanged mark on the year. Wall Street has entered a wait-and-see mode ahead of a crush of economic reports on Thursday and Friday's crucial monthly jobs report.

"The jobs data is going to be extremely important to the markets' tone and psychology," said Michael James, senior [equities](#) trader at Wedbush Morgan Securities. "There are a lot of people waiting on the sidelines."

Wall Street struggled to rally around a better-than-expected Institute for Supply Management service-sector report, a report on private-sector employment that offered no negative surprises and fresh signs Greece's debt crisis may soon be resolved.

The "market is back into a state of complacency," said **Joe Saluzzi**, co-head of trading at **Themis Trading**, pointing to the VIX, or fear gauge, being down in 14 of the last 15 days. "The unemployment number will probably be bad on Friday but the government has already lowered expectations and blamed the weather...I think the tight range continues, at least in the near term."

Most of the Dow's 30 components headed south, led by **Pfizer** (PFE: 17.3, -0.01, -0.06%) and **Intel** (INTC: 20.4525, -0.0675, -0.33%). The index's biggest percentage gainers were **Cisco** (CSCO: 24.93, 0.11, 0.44%) and **Coca-Cola** (KO: 54.49, 0.54, 1%).

Wall Street remains nervous about Friday's jobs report, which tends to set the tone for days or even weeks. Economists expect Friday's report will show the U.S. lost 20,000 jobs and the unemployment rate rose to 9.8% in February. While other sectors of the economy have showed steady improvement, the U.S. continues to bleed jobs, threatening the sustainability of the economic recovery.

Earlier in the day ADP's employment report showed the U.S. private sector lost 20,000 jobs in February, more or less in line with economists' expectations. The report was an improvement from January's upwardly-revised loss of 60,000 jobs, but shows the labor markets remain weak.

Wednesday's session began to take a negative tone after the Federal Reserve issued its "Beige Book," which is an economic snapshot from around the country. However, the report revealed nothing new -- the economy continued to grow last month but not at a fastest enough pace to spark job growth -- and it doesn't typically move the markets.

Wall Street appeared to be on track to make it four-straight days earlier on Wednesday on the ISM service-sector index, which jumped to in February to a reading of 53 -- the highest level since Dec. 2007, the month the economic downturn began. The index was at 50.5 the previous month and had been expected to rise to just 51. A reading above 50 indicates expansion.

Meanwhile in Europe, Greek Prime Minister George Papandreou announced an additional \$6.5 billion in deficit cuts through a combination of higher taxes and lower pension benefits. In hopes the moves will help Greece escape its debt crisis and secure aid from European allies, Greek bonds and the euro rose on the news. Global stock markets were rattled earlier this year by fears Europe's debt woes will infect the economic recovery.

On the earnings front, shares of **Costco** (COST: 60.85, 0.17, 0.28%) and **BJ's Wholesale** (BJ: 34.3, -0.3, -0.87%) slumped after the wholesale retailers reported weaker-than-expected results. On the other hand, rival **Big Lots** (BIG: 35.7, 1.13, 3.27%) beat the Street and issued bullish earnings guidance.

In the commodity markets, crude oil climbed above the \$80 threshold even after a new report revealed a big drawdown in U.S. crude stockpiles. Crude jumped \$1.19 barrel, or 1.49%, to \$80.87 -- its highest settle since Jan. 11. Gold gained \$5.80 a troy ounce, or 0.51%, to \$1142.70.

Corporate Movers

General Motors Vice Chairman Bob Lutz will retire on May 1, marking the first major departure of an exec since CEO Bob Whitacre took over the auto maker. Lutz had been GM's chief vehicle designer and most recently its chief marketing officer. It's not clear who will replace Lutz.

Costco (COST: 60.85, 0.17, 0.28%) weighed in with a 25% rise in fiscal second-quarter profits but its non-GAAP profit of 70 cents missed the Street's view of 72 cents. The largest U.S. warehouse retailer's adjusted-revenue rose 11% to \$18.36 billion, compared to consensus estimates for \$18.56 billion.

BJ's Wholesale (BJ: 34.3, -0.3, -0.87%) posted an adjusted-profit of 95 cents a share, missing the Street's expectations by a penny. Sales increased by 9.4% to \$2.74 billion, compared to consensus calls for \$2.79 billion. Same-store sales rose 4.6%.

Big Lots (BIG: 35.7, 1.13, 3.27%) beat the Street with a non-GAAP profit of \$1.31 a share and a 7% increase in revenue to \$1.46 billion. The retailer also said it sees 2010 EPS of \$2.65 to \$2.75, compared to estimates for a profit of \$2.64. Big Lots also said it is expanding its share repurchase program to \$400 million.

Medivation's (MDVN: 13.0399, -0.0601, -0.46%) experimental Alzheimer's drug failed in a highly-anticipated Phase-3 clinical trial against a placebo, sending the drug maker's stock plunging almost 70% to a 52-week low. The drug, Dimebon, is being co-marketed with pharmaceutical giant **Pfizer** (PFE: 17.3, -0.01, -0.06%).

Global Markets

The U.K.'s **FTSE 100** gained 0.90% to 5533.21, Germany's **DAX** rose 0.72% to 5817.88 and France's **CAC 40** closed up 0.80% to 3842.52.

In Asia, Tokyo's **Nikkei 225** advanced 0.31% to 10253.14, China's **Shanghai Composite** rallied 0.79% to 3097.00 but Hong Kong's **Hang Seng** slid 0.14% to 20896.79.