

Financial Markets Unfazed by Spiking US Jobless Indicator

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The United States has seen another jump in the number of Americans filing for unemployment benefits. The news did not dampen investor exuberance in the United States or elsewhere, as financial markets worldwide rallied sharply higher.

The U.S. Labor Department reports nearly 670,000 Americans submitted claims for government jobless benefits last week, up more than 10,000 from the previous week and the highest number recorded in more than a quarter century.

PNC Financial Services chief economist Stuart Hoffman:

"These are not the kind of numbers that signal the recession is over by any means," said Hoffman.

The cumulative total of Americans receiving unemployment benefits has reached new record-highs in each of the past 10 weeks, and now stands at 5.73 million.

Friday, the Labor Department will report the U.S. unemployment rate for March. The proportion of jobless Americans has risen steadily since the United States sank into a recession more than a year ago.

Economist Peter Sperling of Touro College says unemployment figures are likely to continue even higher, despite recent positive indicators from beleaguered sectors of the U.S. economy.

"The unemployment rate could, could, at its worst be over 10 percent before it starts to get better," said Sperling.

Businesses have been cutting jobs amid the longest recession in the post World War II era.



Job seekers check employment offers in Miami

But the news is not all bad. The Commerce Department reports orders for U.S. manufactured goods reversed six consecutive months of declines, posting a 1.8 - percent gain in February.

Financial markets shrugged off the mixed batch of economic news. Wall Street's Dow Jones Industrial average opened 200 points higher. Rallies were vigorous in major European financial capitals, following sharp gains in Asia. Shares in Tokyo finished up 4.4 percent, while stocks in Hong Kong gained more than seven percent.