

## US JOBLESS RATE DECLINE UNEXPECTEDLY TO 8.6%



Job gains in the US picked up last month and the unemployment rate fell unexpectedly to the lowest level since March of 2009, a decline that was augmented by the departure of Americans from the labor force. The Labor Department figures showed on Friday in Washington that the payrolls climbed 120,000, after a revised 100,000 increase in October, with more than half the hiring coming from retailers and temporary help agencies. The median estimate in the Bloomberg News surveyed called for a 125,000 gain. The jobless rate fell to 8.6 percent from 9 percent. "Its good news, not great news," said Nariman Behravesh, who is the chief economist at IHS Inc in Lexington, Massachusetts, whose forecast matched the survey median. "The labor market is gradually healing." The Obama administration used the data to push for an extension of a payroll-tax cut it says is needed to maintain the expansion and reduce the jobless rate even further. At the same time, the report damped the speculation that the Federal Reserve policy makers meeting on December 13 will embark on another large-scale asset purchases. At 11:56 am New York time, the Standard & Poor's 500 Index (SPX) advanced 0.4 percent to 1,250.02, paring an earlier gain of as much as 1.3 percent. On Friday, the Dow Jones Industrial Average climbed 31.97 points, or 0.3 percent to 12,052. The yield on the benchmark 10-year Treasury note dropped to 2.06 percent from 2.09 on Thursday. There are also some signs that Europe's troubles may be starting to ease. Two people familiar with the negotiations said that a European proposal to channel central bank loans through the International Monetary Fund may deliver as much as 200 billion euros (\$270 billion) to fight the debt crisis. At a November 29 meeting attended by the European Central Bank President Mario Draghi, the euro-area finance ministers gave the go-ahead for work on the plan, said the people, who declined to be named because all of the talks are still at an early state. Europe's debt crisis has been a source of uncertainty on the outlook for the US economy, prompting some companies such as DirecTV (DTV) to keep a tight rein on spending and employment. "We're tightening our belts in terms of spending," Michael White, who is the chief executive office of the largest US satellite-TV provider, said in an interview last week. "We'll cut back on overhead, hiring and programming." Among companies expanding payrolls is Boeing Co. (BA), who is the largest US aircraft maker. The Chicago-based company is hiring about 100 more machinists a week as it boosts production by about 60 percent over three years to whittle down a backlog that now stretches to nearly 4,000 aircrafts. The unemployment rate, derived from a separate survey of the households, was forecasted to hold at 9 percent. The decrease in the jobless rate reflected a 278,000 gain in employment at the same time 315,000 Americans left the labor force.