

## Stocks continue to drop

by: Staff and Wire Reports  
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### Higher jobless numbers and weak sales reports spur loss.

A fresh wave of bad economic news, including a half-million Americans newly out of work and the weakest October retail sales in nearly 40 years, pummeled the stock market Thursday, driving the Dow Jones Industrial Average below 9,000 again with a stunning two-day decline of 10 percent.

The high market volatility that characterized the financial meltdown in September and October has returned, and the economic picture is growing notably bleaker, with both the holiday shopping season and the new administration of President-elect Barack Obama on the way.

"We have probably been suffering from buyer's remorse," said Fred Russell, the principal of Fredric E. Russell Investment Management Co. in Tulsa. "The electorate and investing public were very excited about Obama, and now — with no criticism to the president-elect — we have a sober view of the credit crisis."

Companies across the board are reporting third-quarter earnings that are anemic compared with those of the 2007 third quarter and they also are lowering expectations for 2009, Russell said.

"The two events are cold showers for investors," he said.

Russell still sees bargains in the stock market, however. He said he's written to clients to show them the differences between prices and today's earnings compared with those of a year ago.

"I'm doing a lot of buying for myself and my clients, and I'm enthusiastic. I'm worn out, but I'm enthusiastic," he said.

The Dow fell 443.48, or 4.85 percent, to 8,695.79 after plunging as much as 502 in the final five minutes of trading. The blue chips remain 520 points, or 6.4 percent, above 8,176, their Oct. 27 closing low from the market's yearlong decline.

Broader stock indicators also posted sharp losses. The Standard & Poor's 500 index fell 47.89, or 5.03 percent, to 904.88, and the Nasdaq composite index fell 72.94, or 4.34 percent, to 1,608.70.

Over the past two days, the Dow is down 9.7 percent, the S&P 500 index is off 10 percent and the Nasdaq is down 9.6 percent.

Treasury Secretary Henry Paulson pledged to work closely with Obama for a smooth handoff of power, which he said was in the best interests of the markets.

Wall Street's decline came with a heap of new economic indicators, all of them discouraging:

- The Labor Department reported 481,000 new filings for unemployment benefits for last week, slightly fewer than the week before but well into recession territory.

- The total number of people drawing jobless benefits in late October rose to 3.84 million, far more than a year ago. The last time the figure was that high was February 1983, toward the end of a painful recession, although the work force then was only about two-thirds the size it is today. The increase in people on the rolls suggests that the jobless are having a harder time finding work.
- Retail sales for October were the worst in at least 39 years, according to the International Council of Shopping Centers-Goldman Sachs index, which suggests that shoppers will be skittish this holiday season.
- U.S. worker productivity slowed dramatically in the summer, another Labor Department report showed. Labor costs increased.
- The International Monetary Fund, in an updated forecast, predicted that the economies of the U.S., Europe and Japan will shrink in 2009. If that proves correct, it would mark the first annual decline by such "advanced economies" since World War II.
- Target Corp. and Costco were among the many retailers reporting sales declines last month. Even teens stayed away from malls. American Eagle Outfitters Inc. and Abercrombie & Fitch Co. reported drops in sales. Wal-Mart Stores Inc. managed a sales gain as shoppers hunted for bargains.
- Cisco Systems issued a warning about slumping demand, sending shudders through technology companies.

The government's monthly jobs report is due out Friday, and net job losses for October are expected to be about 200,000. The unemployment rate, now at 6.1 percent, is expected to rise to 6.3 percent.

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Tulsa World Staff Writer Laurie Winslow contributed to this story by Jeannine Aversa of The Associated Press.

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## Sliding away

The Dow Jones Industrial Average saw its 12th and 14th largest net losses on Wednesday and Thursday.

Day	Pts. loss	Pct. loss
Wed.	486.01	5.05
Thurs.	443.48	4.85
Total	929.49	9.58

**Associate Images:**

**Peter Giacchi works Thursday at his post on the floor of the New York Stock Exchange. Wall Street has plunged for a second consecutive day as weak economic and corporate data are triggering broad fears about the economy.**

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