

CLM Top Stories
HD **Stocks Close Mostly Up; Another S&P 500 Record**
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By CHRIS DIETERICH

NEW YORK--The S&P 500 index closed at a record high after an upbeat reading on weekly jobless claims, while weakness in shares of drug makers helped push the Nasdaq Composite lower.

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The S&P 500 rose 3.22 points, or 0.2%, to 1877.03, notching its fourth all-time high in six sessions. The Dow Jones Industrial Average rose 61.71 points, or 0.4%, to 16421.89, ending less than 1% below its Dec. 31 record.

Recent weakness in highflying biotechnology stocks pulled the Nasdaq Composite Index down 5.85 points, or 0.1%, to 4352.13. The iShares Nasdaq Biotechnology Index exchange-traded fund, one of the market's big gainers over the past year, fell 2.7%. Gilead Sciences and Vertex Pharmaceuticals both slid 3.6%.

Market participants appeared to be selling some strong performers ahead of the government's February employment report due Friday, according to Rick Fier, director of **equity** trading at Conifer Securities.

The S&P 500 has rallied 5.8% over the past month despite a string of lackluster reports on U.S. manufacturing and housing. Each of the past two monthly jobs reports have missed forecasts, and many have pinned the recent poor economic performance on the cold weather.

Friday's payrolls report is eagerly awaited. Economists expect nonfarm payrolls increased by 152,000 in February, versus 113,000 in January. The unemployment rate is expected to tick down one-tenth of one% to 6.5%.

Joseph Quinlan, chief market strategist for U.S. Trust, said that stocks have been rising in recent weeks because investors anticipate a "strong snapback in growth" after winter ends, particularly from consumers. Stocks are likely to rise should Friday's jobs report come in close to expectations, but investors will likely brush off a disappointing report and attribute any softness to the weather, he said.

"A [jobs] number below consensus might be blissfully written off as weather-related," said Mr. Quinlan, whose **firm** oversees roughly \$330 **billion**. "Until we get confirmation about this economy, it might be a more jagged, volatile market, but the bias is up for now," he said.

The Labor Department said Thursday that initial claims for jobless benefits declined more than expected last week. Separately, factory orders fell more than expected in January.

Some investors are leery of writing off recent economic reports as weather-related anomalies.

"I wouldn't outright dismiss the plethora of data," said Paul Simon, chief investment officer at Tactical Allocation Group, which manages \$1.2 **billion** in exchange-traded funds. Some downbeat reports appeared before the recent cold snap, suggesting "there are some holes in those arguments," he said.

Mr. Simon said he favors European and Japanese stocks to those in the U.S., in part because central banks in those regions stand ready to take more action, rather than less. The Federal Reserve is in the process of winding down its monthly asset-**purchase** program.

On Thursday, the European Central Bank kept interest rates unchanged, though ECB President Mario Draghi reiterated that the central bank is ready to introduce new stimulus measures to help the euro-zone recovery if warranted. The euro rose to its strongest level against the dollar this year Thursday in the wake of the ECB decision.

The Stoxx Europe 600 gained 0.1%. France's jobless rate fell slightly more than expected, to 10.2%, in the fourth quarter, while German manufacturing orders for January topped forecasts.

Asian markets were broadly higher. In Tokyo, the Nikkei surged 1.6% to a five-week high after Japan's government revealed a plan to diversify the portfolio of its giant pension fund to non-bond vehicles, fueling expectations for large-scale stock purchases. **China's** Shanghai Composite tacked on 0.3%.

The yield on the 10-year Treasury note ticked up to 2.737% from 2.698% late Wednesday. **Gold** futures rose 0.8% to settle at \$1,351.70 a troy ounce, while crude-**oil** futures gained 0.1% to settle at \$101.56 a barrel.

Office-supplies retailer Staples slumped 15% after missing fiscal fourth-quarter earnings and revenue estimates. The **company** said it plans to close 225 stores by the end of 2015 as part of a plan to cut costs by \$500 **million**. Declines also weighed on Office Depot, which slid 5.7%.

Costco Wholesale shed 2.8% after reporting fiscal second-quarter earnings and sales that fell short of forecasts. Lower overseas profits and weak results from nonfood merchandise categories weighed on the results.

Pandora Media declined 5.6% even after reporting an increase last month in listener hours and a boost to its market share.

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CO gilsci : Gilead Sciences Inc | verpha : Vertex Pharmaceuticals Inc

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