

# Dow Seesaws as End of Volatile Day Nears

By STEVEN RUSSOLILLO August 5, 2011

NEW YORK—U.S. stocks zigzagged in the final hour of trading Friday, as investors' initial applause at progress in the euro zone's debt crisis faded, underscoring a volatile session that saw major indexes whipsawed.

The Dow Jones Industrial Average recently up 20 points, or 0.2%, to 11404 in a turbulent trading session. The blue-chip index gained as much as 171 points in early trading after a better-than-expected jobs report, but lost those gains within the first half hour of trading and dropped as much as 245 points at its morning low.

The measure bounced off the lows in the early afternoon as investors cheered news that Italy will speed up its fiscal consolidation timetable. Italian Prime Minister Silvio Berlusconi pledged to push labor reforms and said Italy would balance its country's budget by 2013, a year earlier than planned. The comments came at a hastily called news conference in an effort to quell fears about the euro-zone's third-largest economy.

But concerns that the ECB hasn't made an official commitment to buy Italian or Spanish bonds sent the major indexes lower in the final hour of trading.

"There will be volatility for a little while here [but] people's approach is a lot different than in 2008, when there was sheer panic," said David R. Jones, chief executive of CastleOak Securities.

The Standard & Poor's 500-stock index recently fell 3 points, or 0.3%, to 1196. The technology-oriented Nasdaq Composite Index tumbled 29 points, or 1.1%, to 2527.



Are the bears coming? Is a correction on the way? Heading into Friday's trading day, MarketWatch Columnist Mark Hulbert says we "haven't seen the low". Image: Getty



WSJ's Dave Kansas visits the News Hub to offer tips on ways to seek out quality stock selections amid unsettled periods. AP Photo.

Investors came into Friday's trading with bated breath after a roller-coaster week during which many began to lose faith in the ability and willingness of governments to contain a snowballing crisis.

The Dow tumbled 513 points Thursday, its biggest point drop since Dec. 1, 2008. It is in the red for the year and has fallen more than 10% below the 2011 closing high in April, putting the measure squarely in correction territory.

The action comes as the U.S. economy added 117,000 jobs last month, more than economists were expecting. The unemployment rate edged lower to 9.1%. The better-than-anticipated jobs report, however, wasn't enough to convince investors that the troubles affecting the economy are over. Recent reports have shown a drop in consumer spending, a slowing manufacturing sector and sluggish economic growth.