



Stock futures have retreated further after an unexpected jump in jobless claims and a mixed report on durable goods orders.

Futures were already falling before the reports were released on renewed concerns about Europe's economy. Major index futures are all down more than 0.8 percent. Trading has been choppy in recent weeks as investors weigh mixed economic reports and overseas concerns.

Overseas markets fell after the European Commission said economic sentiment in the 16 countries that use the euro worsened unexpectedly in February. Concerns that Greece will struggle to cut its budget and get debt problems under control are again worrying investors,

Global markets retreated earlier this month because traders were worried Greece's debt problems would spread to other European countries and upend a recovery.

The euro again fell, touching a nine-month low against the dollar.

In the U.S., new economic reports provided fresh worries about employment. The Labor Department said first-time claims for unemployment insurance rose by 22,000 to a seasonally adjusted 496,000. Economists polled by Thomson Reuters had forecast a drop in claims to 455,000.

It is the second straight week that claims jumped unexpectedly. High unemployment remains one of the biggest obstacles to a strong, sustained economic recovery. The Labor Department's monthly report on employment will be released next week.

Meanwhile, the Commerce Department painted a mixed picture for the industrial sector. Durable goods orders rose 3 percent in January because of a jump in commercial aircraft orders. It was the biggest rise in six months for orders of goods that are expected to last at least three years.

However, orders fell by 0.6 excluding volatile transportation orders. Economists had been expected those orders to rise 1 percent.

Ahead of the opening bell, Dow Jones industrial average futures fell 86 to 10,269. Standard & Poor's 500 index futures dropped 10.60 to 1,093.00, while Nasdaq 100 index futures fell 16.75 to 1,797.25.

Investors will also pay attention to a meeting of Congressional leaders and President Barack Obama to discuss health care reform. The White House is trying to push through a major overhaul that would extend coverage to more than 30 million people who are now uninsured.

In corporate news, The Coca-Cola Co. said it will buy the North American operations of its largest bottler and will give up its own bottling operations in Sweden and Norway.

Stocks snapped a two-day losing streak on Wednesday after investors received the reassurance they wanted from Federal Reserve chairman Ben Bernanke. During semiannual testimony before Congress, Bernanke reaffirmed the Fed's plans to keep interest rates low to help strengthen the economy. He testifies again Thursday.

Financial stocks rallied on the news, helping push the Dow up 92 points. The S&P 500 rose 1 percent.

Bernanke's testimony overshadowed a disappointing report on new home sales. The Commerce Department said sales of new homes fell to a record low in January. A collapse in sales and home prices help drive the economy into recession. Recent reports show a recovery in the housing market remains choppy.

Gold and oil prices fell.

OptionAlarm Morning Portfolio Review:

COMPANY	OPTION ROOT	STOCK SYMBOL	ENTRY	TARGET	STOP LOSS	PREVIOUS CLOSE
Rackspace Hosting March 20 Call	RAX	RAX	.75	1.35	.40	1.05
Ambercrombie & Fitch March 35 Call	ANF	ANF	1.70	3.00	1.05	1.55
International Paper March 24 Call	IUI	IP	1.35	2.35	.85	.95

Rackspace is lower this morning with the overall market and no specific news. \$20 is a key psychological level here but we have strong support around \$19.70 should the stock retreat that far.

ANF is lower this morning with the overall market and no specific company news. We'll be looking for the stock to hold the \$35 level during the early pressure.

International Paper is slightly lower with no specific news out. The stock is sitting on its 20-day moving average so it should put up a fight early. If it does succumb then it will most likely trade all the way down to \$23, in which event our stop-loss will have been triggered. We will not make adjustments to the stop-loss and will let it do its job here.

The market has no memory from day-to-day and we are set to test the support at 1092 on the SPX this morning. Last time we did get a decent bounce from that level and we will see what will happen today. We will be patient early to see if the market support at these levels hold. If it does, it may provide a great opportunity to buy the dip. There are a lot of interesting set-ups developing.

Have a great day.

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