

US STOCKS-Futures fall on news of slow jobs growth

August 3, 2007

By Jennifer Coogan

NEW YORK, Aug 3 (Reuters) - U.S. stock index futures fell on Friday after a government report showing weaker-than-expected job growth last month added to nervousness on Wall Street about losses in the mortgage industry.

American Home Mortgage Investment Corp. was the latest casualty of the housing market downturn. The company said it plans to close most operations on Friday and lay off nearly 7,000 employees.

U.S. employers added fewer-than-expected non-farm jobs in July and the unemployment rate unexpectedly rose, the Labor Department said in a report that heightened concern about the impact of subprime mortgage losses on the broader economy.

"If you already got a dip as far as employment goes and unemployment edging up, the question is what's next month's number going to look like when subprime and credit jitters really start to rear their ugly head," said Alan Lancz, president at Alan B. Lancz & Associates Inc. in Toledo, Ohio.

"Risk is back in the equation, so obviously (this data) is a concern."

S&P 500 futures were down 4 points, below fair value, a mathematical formula that evaluates pricing by taking into account interest rates, dividends and time to expiration on the contract.

Dow Jones industrial average futures fell 27 points, and Nasdaq 100 futures lost 3 points.