



Oil Reverses Losses as U.S. Jobs Growth Spurs Demand Outlook

Sept. 3 2010 (Bloomberg) -- Oil reversed earlier losses after data showed that U.S. companies added more jobs than forecast in August, spurring confidence for a recovery in fuel demand.

Oil recouped a 1.2 decline for the week after the Labor Department report. Private payrolls that exclude government agencies climbed 67,000, after a revised 107,000 increase in July that was more than initially estimated, the department figures in Washington showed today.

"It's bullish overall, without a doubt," said Hakan Kocayusufpasaoglu, chief investment officer at **Archbridge Capital** in Zug, Switzerland. "But it's still not enough to reduce the unemployment rate. The key weakness is that manufacturing, in theory the growth engine for the U.S., is beginning to falter."

The October contract on the New York Mercantile Exchange jumped as much as 42 cents, or 0.6 percent, to \$75.44 a barrel, and traded for \$75.30 as of 1:42 p.m. London time after dropping as low as \$74.25. Brent crude for October settlement rose 50 cents, or 0.7 percent, to \$77.43 on the London-based ICE Futures Europe exchange.

By Grant Smith