<p> <p>The US dollar sank against major currencies on Friday and gold prices jumped to a six-month high as anemic American jobs growth fueled investor bets that the Federal Reserve will launch another round of monetary stimulus for the world's biggest economy, perhaps as soon as next week.</p> <p>Yields on safe-haven US Treasuries slumped on the disappointing August jobs data, while yields on Spanish and Italian government debt extended their slide to multi-month lows after the European Central Bank on Thu rsday announced plans to combat the region's three-year-old debt crisis by buying sovereign bonds.�The prospects for ECB action supported the euro early in the session, and the currency extended its gains after the US Labor Department reported nonfarm payrolls increased by 96,000 in August, well below forecasts for 125,000 new jobs.</p> <p>The Federal Reserve starts a two-day policy meeting on Wednesday, and markets will keenly await the US central bank's statement issued on Th ursday and a media briefing by Chairman Ben Bernanke.{loadposition content_adsense300}</p> <p>"This weak employment report, in jobs, wages, hours worked and participation is probably the last piece the Fed needs before launching another round of quantitative easing next week," said Joseph Trevisani, chief market strategist at Worldwide Markets in Woodcliff Lake, New Jersey.</p> <p>"QE will boost equities, damage the dollar and do little for the economy, but what else can an activist Fed do?"</p> <p>The US dollar fell 1.0 percent to 80.194 against a basket of major currencies. The euro touched around a four-month high against the dollar of $1.2814 before paring gains to trade at $1.2810. Against the Swiss franc the common currency rose to its highest level in eight months. US gold futures jumped to $1,740.80, the highest since late February.</p> <p>US stocks seesawed as investors weighed the chances for more quantitative easing from the Fed, which would pump money into the economy to try to boost growth.�The Dow Jones industrial average ended up 14.64 points, or 0.11 percent, to 13,306.64. The Standard & Poor's 500 Index closed up 5.80 points, or 0.40 percent, to 1,437.92. The Nasdaq Composite Index gained 0.61 points, or 0.02 percent, to 3,136.42.</p> <p>"I think the market doesn't really know what to do. What I suspect will happen is, for the rest of today and all through Monday and Tuesday, the market is just going to probably go sideways in anticipation of that FOMC meeting," said Randy Frederick, managing director of active trading and derivatives for Charles Schwab in Austin, Texas.</p> <p>The benchmark 10-year US Treasury note was up 2/32, the yield at 1.6695 percent, after falling sharply in price on Thursday when news of the ECB plan reduced the need for safe-haven bets.�The FTSEurofirst 300 equity index closed at 1106.72, up 0.18 percent on the day.�Ten-year Spanish bond yields slid to 5.646 percent, their lowest since early April.</p> <p>The MSCI world equity index climbed 1.2 percent to 330.24. The index is back to its level of early May, when demand was still being supported by a massive injection of cheap three-year funds into the banking system by the ECB.</p> <p>Oil prices rose in volatile trading on expectations of Fed stimulus, even as the weak jobs data dented the outlook for petroleum demand.�US crude settled up 0.93 percent at $96.42 a barrel. Brent October crude rose 76 cents, or 0.67 percent, to settle at $114.25 a barrel.</p> </p>