

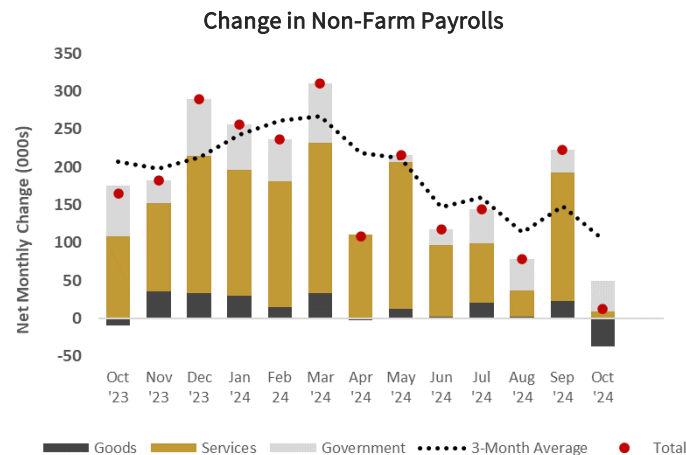
A Cooling Market for U.S. Workers

After two light weeks of economic news, last week brought a surfeit of economic data releases and corporate earnings reports. Among the former, investors received two reports on the U.S. job market—reports that together point toward a cooling market for U.S. workers.

On Tuesday, the Bureau of Labor Services released its monthly Job Openings and Labor Turnover Survey (JOLTS) report for the month of September, which indicated a healthy, albeit declining, number of job openings. In addition, a declining “quits rate” suggests that fewer workers are leaving jobs in anticipation of finding better opportunities. Both factors indicate that the job market is moving closer to pre-pandemic norms, with the number of job openings roughly equaling the number of people looking for work.

Friday’s October payrolls report further confirmed a cooling job market. While observers would be correct to note that this report reflects the tragic effects of two hurricanes (not to mention the Boeing labor strike), downward revisions to August and September payrolls helped pushed the trend in monthly job growth downward. A net decline of new jobs in the goods sector and minimal growth in the services sector further point to a cooling labor market.

CHART OF THE WEEK



Sources: All data from Bureau of Labor Services via Bloomberg, as of October 31, 2024.

Index Returns (%)							Index Characteristics				
Equities	Level	1 Week	QTD	YTD	1 Year	3-Year Ann.	NTM P/E	NTM P/E (20Y med)	NTM P/S	NTM P/S (20Y med)	Div. Yld
S&P 500	5713	-1.89	-0.78	21.12	32.94	8.75	24.2	16.8	3.0	1.7	1.3
Russell 1000 Growth	3781	-2.07	0.03	24.58	38.24	8.54	32.3	19.8	5.6	2.0	0.6
Russell 1000 Value	1845	-1.47	-1.21	15.27	26.19	6.56	18.9	15.0	1.9	1.4	2.0
FTSE High Dividend Yield*	449	-1.52	-0.73	16.47	26.47	8.23	14.7	14.2	1.6	1.6	3.9
S&P Small and Mid Cap	17332	-0.92	-0.73	11.44	26.38	2.75	19.0	19.0	1.3	1.2	1.6
MSCI EAFE	2343	-1.06	-5.01	7.88	19.11	2.90	14.9	14.7	1.5	1.1	3.1
MSCI EM	1130	-0.69	-3.44	13.15	22.59	-0.72	13.7	12.6	1.5	1.3	2.5

* Bloomberg U.S. Large Cap Dividend Yield Total Return Index used as substitute for index characteristics.

Fixed Income							Levels				
Fixed Income	Yield	1 Week	QTD	YTD	1 Year	3-Year Ann.	Currencies	Last	1 Wk Ago	Prev YE	3 Yrs Ago
U.S. Aggregate	4.73	0.01	-2.44	1.90	8.10	-2.39	DX	103.39	104.32	101.33	94.35
U.S. Int. Gov/Credit	4.44	-0.09	-1.58	3.03	6.84	-0.34	\$ per €	1.09	1.08	1.10	1.16
U.S. Corporates	5.16	-0.01	-2.35	2.85	10.99	-2.33	\$ per £	1.30	1.30	1.27	1.35
High Yield	7.31	0.00	-0.40	7.57	13.84	2.81	¥ per \$	151.56	153.36	141.04	113.76
Municipals (1-10)	3.21	0.10	-0.93	0.92	5.56	0.25					

Levels (%)							Levels				
Key Rates	Last	1 Wk Ago	Last Qtr	Prev YE	1 Yr Ago	3 Yrs Ago	Commodities	Last	1 Wk Ago	Prev YE	3 Yrs Ago
2-yr Treasury	4.16	4.10	3.64	4.25	4.94	0.43	Oil (WTI)	71.50	67.21	70.30	62.90
10-yr Treasury	4.29	4.26	3.78	3.88	4.64	1.53	Gasoline	3.10	3.14	3.12	3.42
30-yr Treasury	4.47	4.50	4.12	4.03	4.81	1.96	Natural Gas	2.67	2.35	2.51	5.72
SOFR	4.82	4.82	4.96	5.38	5.32	0.05	Gold	2742	2775	2063	1792
6-mo. CD rate	4.48	4.51	4.41	5.28	5.66	0.25	Copper	9173	9388	8464	9699
Prime Rate	8.00	8.00	8.00	8.50	8.50	3.25	Wheat	569	571	628	774
30-yr fixed mortgage	7.27	7.24	6.68	6.99	7.85	3.17	BBG Index	237.56	236.05	226.43	219.06

Returns as of November 6, 2024

LAST WEEK IN REVIEW

- **JOLTS (Sept.):** 7.4 million openings, declining from 8 million in August.
- **U.S. GDP (Q3 2024):** 2.8%, in line with expectations and showing resilient consumer and business spending.
- **PCE Price Index (Sept.):** Headline (0.2% MoM, 2.1% YoY). Core (0.3% MoM, 2.7% YoY). Core inflation has stalled at about 2.5% since May.
- **Payrolls and Unemployment (Oct.):** 12K net new jobs vs. expectations of 100K. Unemployment steady at 4.1%.
- **ISM Manufacturing PMI (Oct.):** 46.5, weakest reading since June 2023.

THIS WEEK

- **Trade Balance (Sept.):** 11/5
- **ISM Manufacturing PMI (Oct.):** 11/5
- **FOMC Rate Decision:** 11/7
- **U. of Mich. Sentiment (Nov P.):** 11/8

S & P SECTOR RETURNS

