

Weak ISM Report Reverses Employment Report Selloff

The bond market sold off in early trading following an unexpected rise in wages and a drop in the labor force participation rate, but reversed course and rallied big after the ISM service index showed U.S. purchasing managers had suddenly become less optimistic.

Scott McIntyre

Nonfarm payrolls rose +216k in December, topping the +175k median forecast. However, revisions to the previous two months subtracted -71k, *so net payrolls were actually a bit weaker*. Employment gains moderated in the second half of 2023 with an average of +213k jobs added to company payrolls, down from +311k in the first half, but the labor market remains surprisingly solid despite the Fed's efforts to cool the economy.

[Read the full article](#)

[Read more Economic Commentary](#)