

## Increased Job Postings Support Additional Fed Tightening

U.S. job openings unexpectedly jumped above the 10 million mark according to the latest *Job Openings and Labor Turnover Survey* (JOLTS). This morning's release showed 10.1 million posted positions in April, well above the median forecast, and up from a revised 9.75 million in March. While total job postings in April were 1.65 million lower than a year ago, they are now back to the highest level since January.

A majority of the new postings were concentrated in retail (+209k), healthcare and social assistance (+185k) and transportation (+154k) categories. Notable reductions were found in lodging (-80k), government (-71k) and real estate (-28k).

The ratio of available jobs to workers seeking employment rose from 1.7 to 1.8. From the Fed's perspective, this isn't consistent with desired cooling of the labor market and hints at continued wage pressure. Driving inflation lower at this point is contingent on reducing demand for services, which doesn't seem to be happening.

The number of layoffs dropped from 1.85 million to 1.58 million in April. Employers seem to be hesitant to reduce staffing levels during the persistent labor shortage.

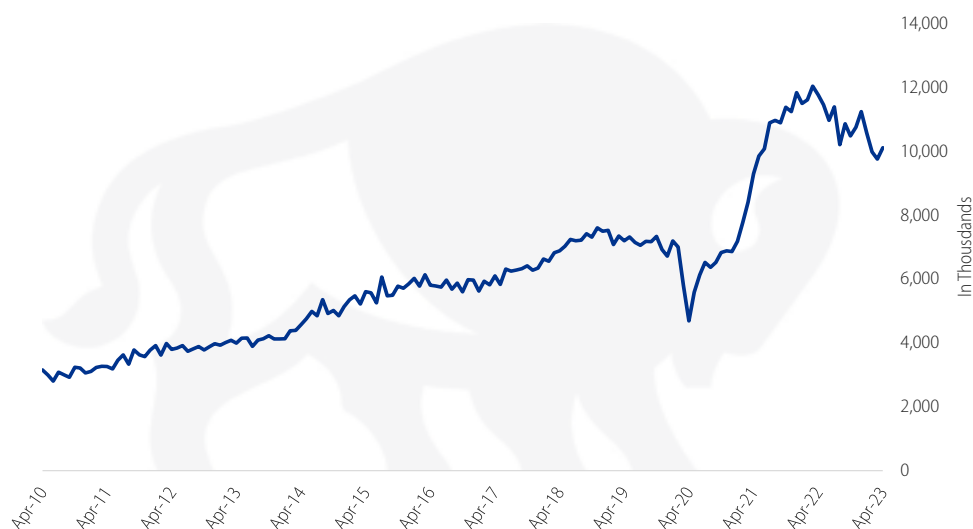
The number of job quitters in April fell to 3.79 million, the lowest since January 2021. This suggests that workers feel less confident about their prospects for landing alternate employment.

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### Job Opening and Labor Turnover Survey (JOLTS)



Source: Bureau of Labor Statistics

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Despite the lower quits rate, the report is frustratingly stronger than the Fed would like to see. With less than two weeks before the June FOMC meeting, the probability of another quarter point hike continues to increase. Fed officials will have a few more days to weigh-in with comments before the 10-day pre-FOMC quiet period begins.

The May CPI report, scheduled for release on June 13th, the day before the FOMC decision, will be a major consideration for policy-makers.

## Market Indications as of 11:01 A.M. Central Time

DOW	Down -263 to 32,780 (HIGH: 36,800)
NASDAQ	Down -91 to 12,927 (HIGH: 16,057)
S&P 500	Down -36 to 4,170 (HIGH: 4,797)
1-Yr T-bill	current yield 5.20%; opening yield 5.17%
2-Yr T-note	current yield 4.44%; opening yield 4.46%
3-Yr T-note	current yield 4.09%; opening yield 4.12%
5-Yr T-note	current yield 3.79%; opening yield 3.81%
10-Yr T-note	current yield 3.67%; opening yield 3.69%
30-Yr T-bond	current yield 3.88%; opening yield 3.89%

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