

## Job Openings Still Outnumber Jobseekers by Wide Margin

The number of U.S. job openings slipped to a 26-month low, but remain *extremely elevated* relative to the number of Americans actually seeking work. The Job Openings and Labor Turnover Survey (JOLTS) showed “just” 9.6 million job postings in June, the lowest since April 2021. This morning’s release also showed that layoffs had fallen to their lowest level of 2023, implying that employers are reluctant to part with workers when available labor is so scarce.

The last monthly employment report from the Bureau of Labor Statistics counted six million Americans actively seeking work. With 1.6 job openings for every jobseeker, U.S. companies will be forced to pay higher wages to attract and retain workers. This is particularly evident throughout the service industry with UPS, Delta Airlines, United Airlines and West Coast dockworkers all negotiating new contracts in recent months, while the United Auto Workers (UAW) are gearing-up for labor negotiations this fall.

In other news from this morning, the ISM manufacturing survey indicated the factory sector continues to struggle as demand for goods fades. The ISM composite manufacturing index actually rose from 46.0 to 46.4 in June, but remained stuck in contraction territory (below 50) for the ninth straight month, the longest stretch since 2008. Sixteen of 18 industry groups contracted in July. Only Petroleum/Coal and Furniture registered growth.

Most of the factory subcategories improved marginally in July. The current production index rose from 46.7 to 48.3, while the new order index rose from 45.6 to 47.3. The employment index was an exception, slipping from 48.1 to 44.4, reflecting both lower demand and a lack of available workers. Comments by U.S. factory managers point to *slowing sales, softening demand and a lack of qualified workers*.

The ISM services report is scheduled for release on Thursday. Since the majority of consumer spending (and by extension consumer inflation) is generated through *the service sector*, the markets (and the Fed) will focus more heavily on this report.

### Market Indications as of 11:57 A.M. Central Time

DOW	Up 13 to 35,572 (HIGH: 36,800)
NASDAQ	Down -57 to 14,289 (HIGH: 16,057)
S&P 500	Down -17 to 4,572 (HIGH: 4,797)
1-Yr T-bill	current yield 5.39%; opening yield 5.35%
2-Yr T-note	current yield 4.90%; opening yield 4.87%
3-Yr T-note	current yield 4.57%; opening yield 4.52%
5-Yr T-note	current yield 4.24%; opening yield 4.18%
10-Yr T-note	current yield 4.05%; opening yield 3.96%
30-Yr T-bond	current yield 4.11%; opening yield 4.01%

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