

Big Decline in Job Openings Extends Bond Rally

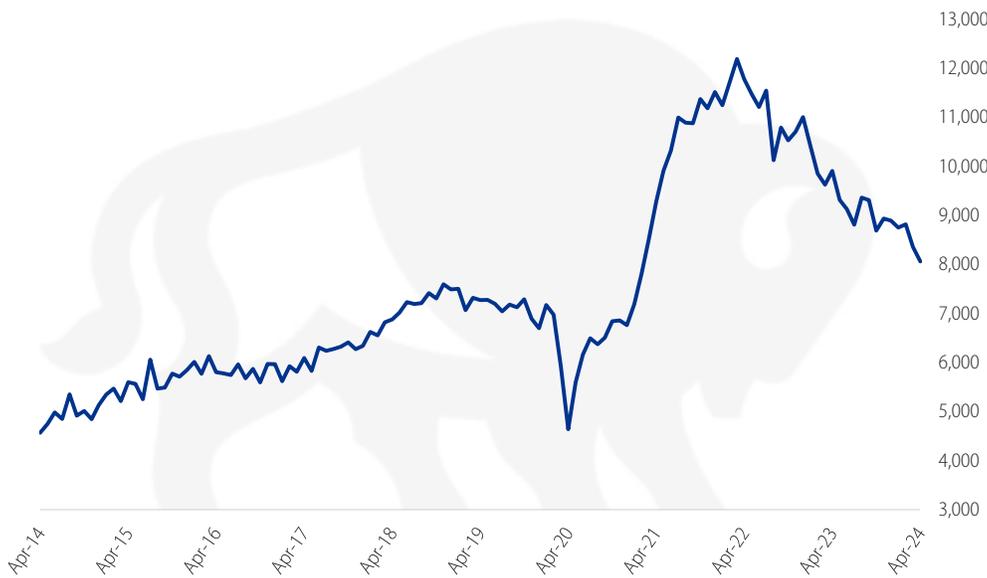
U.S. job postings dropped to their lowest level in more than three years in April, reinforcing the idea that labor market tightness is easing as the economy slows. This morning, the Job Openings and Labor Turnover Survey (JOLTS) indicated posted positions declined from 8.36 million to 8.06 million, well below the median forecast. At this point there are just over 1.2 available jobs for every job seeker. At the post-pandemic peak, this ratio was 2 to 1. In theory, a less tight labor market should reduce wage pressure, and by extension overall inflation.

The drop in job postings was widespread. Healthcare and social assistance experienced the biggest decline, reaching a three-year low, followed by state and local government education. Available factory jobs are now at the lowest point since late 2020.

The “quits rate,” a measure of workers who voluntarily left their jobs, remained at 2.2%, matching the lowest level since September 2020. This signals waning confidence that a better position would be available.

Bonds are in the midst of extending a week-long rally. Whether the rally has legs will depend on several critical data releases over the next few weeks.

JOLTS-Job Opening and Labor Turnover Survey (in thousands)



Source: Bureau of Labor Statistics

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Market Indications as of 11:23 A.M. Central Time

DOW	Down -63 to 38,508 (HIGH: 40,004)
NASDAQ	Down -68 to 16,761 (HIGH: 17,020)
S&P 500	Down -26 to 5,258 (HIGH: 5,321)
1-Yr T-bill	current yield 5.13%; opening yield 5.14%
2-Yr T-note	current yield 4.77%; opening yield 4.81%
3-Yr T-note	current yield 4.56%; opening yield 4.61%
5-Yr T-note	current yield 4.35%; opening yield 4.41%
10-Yr T-note	current yield 4.34%; opening yield 4.39%
30-Yr T-bond	current yield 4.49%; opening yield 4.54%

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