

Bond Yields Fall as Job Openings Drop to 3 1/2 Year Low

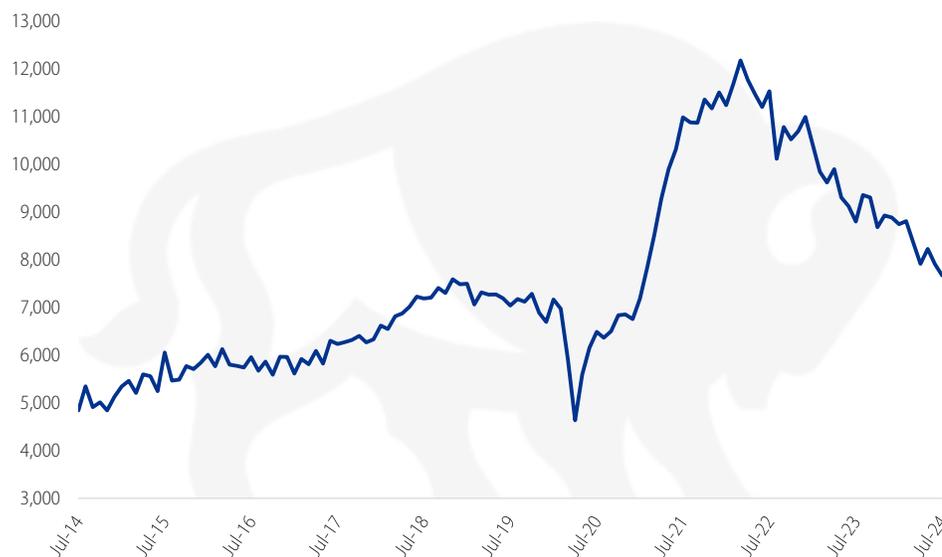
The Job Openings and Labor Turnover Survey (JOLTS) indicated U.S. job openings fell from a revised 7.91 million to 7.67 million in July, well below forecast and the lowest level since January 2021. Through July, the ratio of available jobs to active jobseekers is 1.1 to 1, down from a 2 to 1 peak in 2022. It's increasingly evident that the labor market is suddenly in much better balance. The Fed's concern is that the imbalance flips to a deficit of jobs as the economy slows in the coming months.

Openings fell in social services (-187k) and state and local government ex education (-101k) but grew significantly in professional and business services (+178k). The number of open positions in the leisure and hospitality sector was virtually unchanged in July, although hires (+160k) and job separations (+112k) combined to indicate significant turnover.

As job openings fell in July, the total number of layoffs rose +202k to 1.76 million. However, new hires also increased in July, up +273k to 5.52 million.

The significance of the JOLTS report has risen as Fed officials focus recent attention on the employment portion of their dual mandate. The rise in new hires is encouraging, but the headline drop in job openings has driven bond yields lower and increased the possibility of a half point rate cut in two weeks.

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



Source: Bureau of Labor Statistics

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Market Indications as of 1:49 P.M. Central Time

DOW	Down -31 to 40,906 (HIGH: 41,563)
NASDAQ	Down -50 to 17,086 (HIGH: 18,647)
S&P 500	Down -9 to 5,519 (HIGH: 5,667)
1-Yr T-bill	current yield 4.23%; opening yield 4.32%
2-Yr T-note	current yield 3.78%; opening yield 3.87%
3-Yr T-note	current yield 3.65%; opening yield 3.73%
5-Yr T-note	current yield 3.58%; opening yield 3.64%
10-Yr T-note	current yield 3.78%; opening yield 3.84%
30-Yr T-bond	current yield 4.07%; opening yield 4.13%

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