

## Rise in Job Openings Takes Backseat to Striking Dockworkers and Escalating Geopolitical Conflict

Forty-five thousand union workers from 36 major U.S. ports walked off the job today in the first East-to-Gulf port strike since 1977. The International Longshoreman's Association is seeking higher wages and a rollback on proposed automation. The National Association of Manufacturers estimates the work stoppage could reduce GDP by as much as \$5 billion per day. The impact of a prolonged strike has the potential to dramatically slow economic growth, increase prices and meaningfully affect next month's presidential election.

An Iranian ballistic missile attack on Israel appears imminent after Israeli troops moved into Southern Lebanon earlier today in its war against Hezbollah. Escalating conflict in the Middle East, a growing concern for much of the past year, has pushed oil prices higher and will certainly influence next month's election.

The August Job Openings and Labor Turnover Survey (JOLTS) showed an unexpected rise in the number of available jobs in August. Fed officials have been concerned about recent labor market deterioration and the possibility of slower economic growth. This morning's report showed an increase of +329k job postings in the final month of summer, bringing the total back above eight million. Good news.

The ISM manufacturing survey for September was generally positive with lower input prices and an upward bump in new orders. The main composite index was unchanged at 47.2, a bit weaker than expected, indicating continued mild contraction in the factory sector.

Today's economic releases pale in comparison to the massive labor strike threatening to slow global trade, and rapid escalation of the latest conflict in the Middle East. The predictable market response to rising uncertainty is a flight-to-quality. Stocks are selling off and bonds are rallying, dragging yields lower.

### Market Indications as of 11:02 A.M. Central Time

DOW	Down -161 to 42,169 (HIGH: 42,330)
NASDAQ	Down -320 to 17,869 (HIGH: 18,647)
S&P 500	Down -55 to 5,707 (HIGH: 5,762)
1-Yr T-bill	current yield 3.98%; opening yield 3.99%
2-Yr T-note	current yield 3.60%; opening yield 3.64%
3-Yr T-note	current yield 3.50%; opening yield 3.55%
5-Yr T-note	current yield 3.49%; opening yield 3.55%
10-Yr T-note	current yield 3.72%; opening yield 3.78%
30-Yr T-bond	current yield 4.06%; opening yield 4.11%

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