

# Robust Job Growth of 64.85% Surpasses Expectations, Shaking Down Global Markets, Potential Fed Rate Cuts in Sight.

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The U.S. and European stock markets closed the week with losses, mainly due to the stronger-than-expected U.S. Jobs report, which rose 64.85%.

The jobs report released today shows robust jobs growth, with 272,000 new nonfarm payroll jobs created in May, surpassing the estimates of 180,000, a 51.11% higher, and 64.85% higher than last month's 165,000, and beating the 12-month average of 232,000. The unemployment rate slightly increased to 4.0%, above the consensus estimate of 3.9%. Hourly earnings rose by 4.1%, outpacing the anticipated 3.9% increase. Despite these strong figures, the labor market is slowly cooling down when considering data released earlier in the week. This scenario could bolster consumer spending while easing inflationary pressures.

Internationally, Asian markets showed mixed results due to lower consumer spending in Japan and higher-than-anticipated Chinese exports. European markets are also down as investors digest the Q1 GDP data, which showed a seasonally adjusted growth of 0.3% quarter-over-quarter, which aligns with expectations.

The U.S. dollar is gaining strength against other major currencies following recent rate cuts by the European Central Bank and the Bank of Canada. In the commodities market, WTI oil prices are on the rise as OPEC+ members consider potential production cuts. Conversely, gold prices are falling due to a temporary halt in China's central bank purchases.

In the bond market, yields are rising, with the 10-year Treasury China closing at 4.43%. Despite the potential inflationary impact of the strong employment report, bond markets continue to price in two Fed rate cuts for this year. If signs of moderating inflation persist, the Fed will likely proceed with one or two rate cuts later this year, which would benefit both the economy and the broader markets.

## GDPNow Update:

- The **GDPNow** for the second quarter of 2024 was updated on June 7. It rose to 3.10% GDP, up from 2.60%, a 19.23% increase.

## Key Economic Data:

- **U.S. Nonfarm Payrolls MoM:** rose to 272,000, up from 165,000 last month, increasing 64.85%.
- **U.S. Unemployment Rate:** rose to 4.00%, compared to 3.90% last month.
- **U.S. Labor Force Participation Rate:** fell to 62.50%, compared to 62.70% last month.
- **U.S. Wholesale Inventories MoM:** rose to 0.15%, compared to -0.48% last month.
- **U.S. Consumer Credit Outstanding MoM:** fell to \$6.274 billion, down from \$15.02 billion last month, decreasing -58.23%.

- **Canada Employment Net Change:** fell 26,700, down from 90,400 last month, decreasing -70.46%.
- **Canada Unemployment Rate:** rose to 6.20%, compared to 6.10% last month.
- **Canada Labour Force Participation Rate:** is unchanged at 65.40%, compared to 65.40% last month.
- **Germany Exports MoM:** rose to 0.90%, compared to -1.60% last month.
- **Germany Industrial Production Index MoM:** is at -0.10%, compared to -0.40% last month.
- **Germany Trade Balance:** rose to 22.30 billion, up from 21.40 billion last month.
- **China Exports YoY:** rose to 1.49%, compared to -7.55% last month.
- **China Imports YoY:** rose to 8.36%, compared to -1.95% last month.
- **China Trade Balance:** rose to 72.35 billion, up from 58.60 billion last month, rising 23.47%.

#### Eurozone Summary:

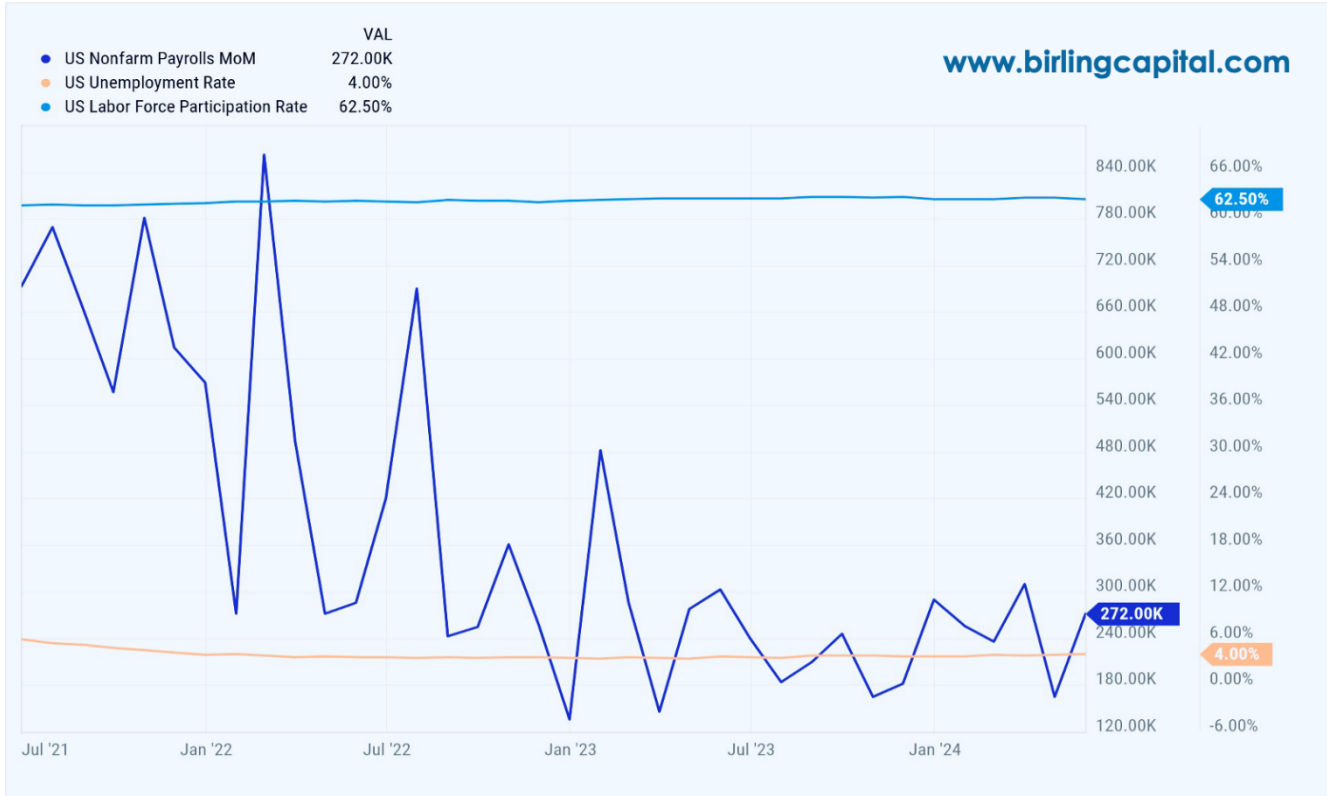
- **Stoxx 600:** closed at 523.55, down 1.13 points or 0.22%.
- **FTSE 100:** closed at 8,245.37 down 39.97 points or 0.48%.
- **Dax Index:** closed at 18,957.27, down 95.40 points or 0.51%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 38,886.17, down 87.18 points or 0.22%.
- **S&P 500:** closed at 5,346.99, down 5.97 points or 0.11%.
- **Nasdaq Composite:** closed at 17,133.12, down 40.00 points or 0.23%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,290.48, up 14.65 points or 0.45%.
- **Birling Capital U.S. Bank Stock Index** closed at 5,119.66, down 23.59 points or 0.46%.
- **U.S. Treasury 10-year note** closed at 4.43%.
- **U.S. Treasury 2-year note** closed at 4.87%.

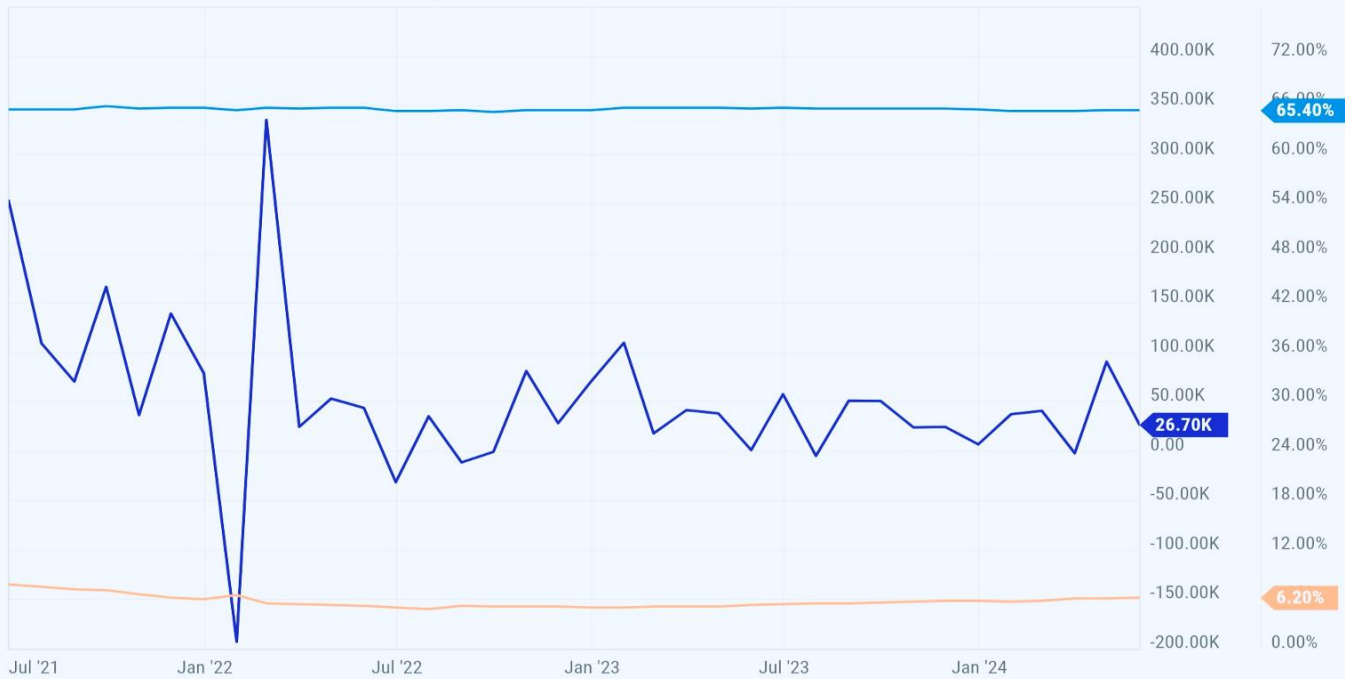


# US Nonfarm Payrolls, US Unemployment Rate and US Labor Participation Rate



# Canada Employment Net Change, Canada Unemployment Rate and Canada Labour Force Participation Rate

	VAL
● Canada Employment Net Change (I:CENC)	26.70K
● Canada Unemployment Rate (I:CAUR)	6.20%
● Canada Labour Force Participation Rate (I:CLFPR)	65.40%

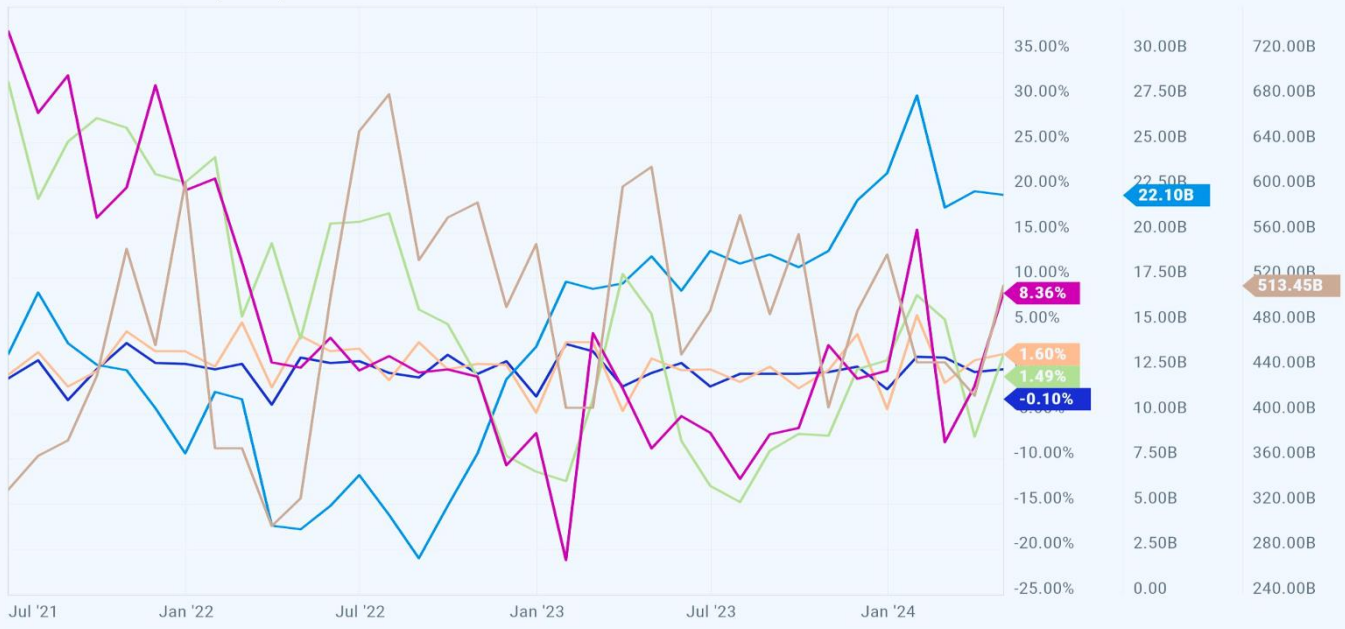




# Germany Industrial Production Index, Germany Exports, Germany Trade Balance, China Exports, China Imports and China Trade Balance

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	VAL
Germany Industrial Production Index MoM (I:GCIPSA)	-0.10%
Germany Exports MoM (I:GCESM)	1.60%
Germany Trade Balance (I:GTBSM)	22.10B
China Exports YoY (I:CEYY)	1.49%
China Imports YoY (I:CIYY)	8.36%
China Trade Balance (I:CTB01)	513.45B



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