

# Markets wobble after strong jobs numbers

BY STAN CHOE

THE ASSOCIATED PRESS

NEW YORK>> U.S. stocks felt both the upside and downside Wednesday of a surprisingly strong report that said the nation's unemployment rate improved last month.

After initially rising toward an all-time high, the S&P 500 flipped between gains and losses before finishing with a minuscule dip of less than 0.1%. The Dow Jones Industrial Average dropped 66 points, or 0.1%, and the Nasdaq composite fell 0.2%. Both also erased early gains.

Treasury yields, meanwhile, remained higher in the bond market after the Labor Department said U.S. employers added 130,000 jobs to their payrolls last month, more than economists expected. That helped calm worries from a day earlier, when a discouraging report suggested spending by U.S. households, the main engine of the economy, may be stalling.

On one hand, the strong data on jobs raises hopes that the U.S. economy can remain solid and keep driving big profits for companies. Stocks in the energy and raw-material industries jumped to some of the bigger gains in the S&P 500, for example, and their profits tend to be closely tied to the health of the economy.

Exxon Mobil climbed 2.6%. Smurfit Westrock jumped 9.9% even though the packaging company reported a weaker profit for the latest quarter than analysts expected. It gave financial targets for the next five years that some analysts found encouraging.

But on the other hand for the broad stock market, the stronger-than-expected jobs data could also keep the Federal Reserve on hold when it comes to cuts to interest rates. And higher rates can drag on prices for stocks and all kinds of other investments.

After Wednesday's report showed the tick down for the U.S. unemployment rate, traders pushed back their bets for when the Fed could begin cutting interest rates again, according to data from CME Group. The bets slid further into the summer, after a new Fed chair is set to take the helm.

If Wednesday's jobs report had shown a rise in the unemployment rate or other worsening for the job market, that could have pushed the Fed to resume its cuts more quickly.

Lower rates would give the economy and financial markets a boost, though at the cost of potentially worsening inflation. The next monthly update on inflation at the U.S. consumer level is arriving on Friday, and it will likely be another big influence on the Fed's plans.