

7-4-25

WALL STREET

Stocks set another record, and yields leap

BY STAN CHOE

THE ASSOCIATED PRESS

NEW YORK>> U.S. stocks climbed further into record heights on Thursday after a report showed the U.S. job market looks stronger than Wall Street expected.

The S&P 500 rose 0.8% and set an all-time high for the fourth time in five days. The Dow Jones Industrial Average added 344 points, or 0.8%, and the Nasdaq composite gained 1%.

The market's gains were widespread, and companies whose profits can get the biggest boosts when workers are feeling confident helped lead the way. Expedia climbed 3.2%, and Norwegian Cruise Line steamed 2.9% higher.

Bank stocks were also strong, with Citigroup up 2.3%, and JPMorgan Chase up 1.9%.

The reaction was bigger in the bond market following the report from the U.S. government, which said employers added 147,000 more jobs to their payrolls last month than they cut. The unexpected acceleration in hiring signals the U.S. job market is holding up despite worries about how President Donald Trump's tariffs may hurt the economy.

"There is nothing to complain about here," according to Carl Weinberg, chief economist at High Frequency Economics. "You cannot find any evidence of a nascent recession in these figures."

A separate report, meanwhile, said fewer U.S. workers applied for unemployment benefits last week, an indication of easing layoffs.

Yields jumped in the bond market as investors bet the better-than-expected data could keep the Federal Reserve on hold when it comes to interest rates, instead of cutting them like Trump has loudly been calling for.

Traders in the futures market now see less than a 5% chance that the Fed could cut its main interest rate at its next meeting later this month. That's down sharply from the nearly 24% chance they saw just a day earlier, according to data from CME Group.

The Fed's chair, Jerome Powell, has been insisting that he wants to wait and see how Trump's tariffs affect the economy and inflation before making its next move. While lower rates give a boost to the economy by making it easier to borrow money, they can also give inflation more fuel. And that could be dangerous if the tariffs are about to send inflation higher.

Many of Trump's stiff proposed taxes on imports are currently on pause, but they're scheduled to kick in next week unless Trump reaches deals with other countries to lower them.