Market Review

U.S. labor market still tight

U.S. job openings unexpectedly rose in September, suggesting demand for labor remained strong, tempering financial market expectations that the Federal Reserve would dial back its aggressive interest rate increases in December. Job openings, a measure of labor demand, increased 437,000 to 10.7 million on the last day of September, the Labor Department said in its monthly Job Openings and Labor Turnover Survey, or JOLTS report, partially reversing August’s decline. Economists had forecast 10.0 million vacancies. With 1.9 job openings for every unemployed worker at the end of September, wage growth could remain elevated. Wall Street’s main indexes fell after data pointing to strength in the labor market dented expectations for its COVID-19 vaccine, while Eli Lilly slipped almost 5% on investors’ radar for further clues on the outlook for interest rates. But the Fed’s fight against inflation received a big boost from an Institute for Supply Management (ISM) survey showing raw materials prices fell for the first time in 28 months in October. Supplier deliveries performance was 51.7 in September, marking a return to expansion for the first time since March 2021. The ISM’s overall manufacturing PMI fell to 50.2 in October from 50.9 in September. A reading above 50 signals expansion in manufacturing, which accounts for 11.3% of the U.S. economy. Economists had forecast the index falling to 50.0. Among single stocks, Uber Technologies climbed more than 12% after giving an upbeat fourth-quarter profit view that also lifted shares of its rivals Lyft Inc and DoorDash. Pfizer rose more than 3% after the drugmaker raised full-year sales estimates for its COVID-19 vaccine, while Eli Lilly slipped almost 5% on trimming its profit forecast.

Canada’s main stock index was higher today as commodity prices rose against a weakening U.S. dollar. Canadian manufacturing activity contracted for a third straight month in October as production and new orders fell, while recent pressure on the Canadian dollar contributed to a jump in output prices. The S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) fell to 50.2 in October from 50.1 in September. The ISM's overall manufacturing PMI fell to 50.2 in October from 50.9 in September. A reading above 50 signals expansion in manufacturing, which accounts for 11.3% of the U.S. economy. Economists had forecast the index falling to 50.0. Among single stocks, Uber Technologies climbed more than 12% after giving an upbeat fourth-quarter profit view that also lifted shares of its rivals Lyft Inc and DoorDash. Pfizer rose more than 3% after the drugmaker raised full-year sales estimates for its COVID-19 vaccine, while Eli Lilly slipped almost 5% on trimming its profit forecast.

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