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The Dow Surged to a Record High Because the Bad News Wasn't So Bad

By [Ben Levisohn](#) Updated May 7, 2021 8:47 pm ET / Original May 7, 2021 7:44 pm ET

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Then the jobs report hit. Just 266,000 jobs were added in April, well below economist forecasts for about a million, making it the biggest miss on record. What's more, March's number was reduced to 770,000 from 916,000. If the numbers are right, they suggest the U.S. economy isn't nearly as strong as many observers suspect it is.

That was the bond market's first reaction. The 10-year Treasury note yield fell to around 1.485%, a nearly 0.1 percentage point decline from where it had been trading. Futures

But then, soon after the market opened, the 10-year yield was close to unchanged on the day, while the Dow had gained 229.23 points, a sign that the market, at least, didn't believe that the economy was stagnating the way the payrolls number suggested. By day's end, the Nasdaq was up 0.9%, suggesting a lack of excitement following the early, knee-jerk reaction.