

MARKETS | BARRON'S TAKE

The Jobs Report Was Very Strong. Why the Stock Market Is Up Anyway.

By [Nicholas Jasinski](#) [Follow](#) June 2, 2023 12:48 pm ET

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One look at the incredibly strong headline number from the [May jobs report](#) and it appeared the stock market would be heading for a very bad day. Instead, [the Dow Jones Industrial Average](#) is up more than 500 points because, beneath the surface, the release had something in it for everyone to like.

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While the strength might not be what the Federal Reserve wants, it's great news for investors because there continues to be no sign of a slowing economy—let alone a recession—in the labor market data. That means there's no impending slowdown to hit corporate earnings and drag down stock prices, and it's helping to send cyclical sectors higher: S&P 500 materials stocks were up 2.7% on Friday morning, energy stocks gained 2%, and consumer discretionary stocks added 1.9%.

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Hiring picked up in May, and revisions to March and April added 93,000 jobs.



But here's the strange thing: The robust numbers barely moved the odds of a Fed pause next week. That's because the rest of the jobs report wasn't nearly as strong as the headline.