

Opinion | John Authers, Columnist

How Seriously You Should Take the Market Pullback

Stocks were due for a retreat, but don't read too much into it. And view non-farm payrolls with some caution.

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By **John Authers**

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It's Not About Fears of Higher Rates

Initial reactions blamed hawkish comments from Neel Kashkari, president of Federal Reserve Bank of Minneapolis, who said that it may not make sense to cut rates at all this year. That might be a big deal, except he's already well established as the most hawkish of the Fed's governors, and he doesn't get to vote on monetary policy this year. And the 10-year Treasury yield actually fell significantly after his comments:

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This Was Driven Primarily by the Oil Price

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What really did matter, evidently, was the oil price, which rushed higher, swiftly passing the round number of \$90 per barrel, at the same moment that the stock market suddenly started to fall. That was at 1:40 p.m. in New York, just as the contents of the latest conversation between President Joe Biden and Israel's Prime Minister Benjamin Netanyahu were published. With Netanyahu claiming that Israel would "hurt those who hurt us or plan to hurt us" while naming Iran, and Biden again repeating that the US wanted a ceasefire in Gaza, the meeting could be taken to increase the risks of an escalation in the conflict: