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Make No Mistake—the Fed Isn't the Market's Friend. The S&P 500 Will Lose Steam.

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The indexes bounced back from early-week lows after the employment report revealed that the U.S. added fewer jobs than expected in April—but enough to indicate a still-growing economy. For now, that could help keep a lid on inflation, prevent the Federal Reserve from needing to raise rates again, and maybe even allow it to cut them.

Investors responded as if they'd finally gotten the signal to jump back in the market. Not quite. The reality is that there isn't enough evidence that the central bank is about to cut rates. On Wednesday, Fed Chair Jerome Powell kept the federal-funds rate unchanged, and while he signaled that he would like to lower rates, [conditions weren't right yet](#). Friday's payrolls report didn't even increase the