



Basis Points – July 13, 2023

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Employment Slowing, but Is It Enough?

In June, 209,000 new jobs were added, down from the 2023 average of 278,000 per month, and well off the monthly average of 399,000 since May 2022. In May, employment continued to trend up in government, health care, social assistance and construction. Both the unemployment rate, at 3.6%, and the number of unemployed persons, at 6.0 million, changed little in June. The unemployment rate has ranged from 3.4% to 3.7% since March 2022. The labor force participation rate, at 62.6%, and the employment-population ratio, at 60.3%, were unchanged in May from the previous month. In June, average hourly earnings rose by \$0.12, or 0.4%, to \$33.58. Over the past 12 months, average hourly earnings have increased by 4.4%. The average workweek edged up by 0.1 hours to 34.4 hours in June.

Fed Preparing for More Rate Hikes

Although the employment report for June showed a moderate decline in the number of new jobs added, wages continued to track higher, which could support further interest rate hikes by the Federal Reserve. The Fed meets next on July 26, and the latest employment data makes another pause in rate increases highly unlikely. Whether the rate hike is 25.0 basis points or 50.0 basis points is open to conjecture.

Apple Reaches \$3 Trillion Milestone

The largest company in the world, Apple, reached a \$3 trillion stock market capitalization for the first time on June 30, 2023, closing at \$193.97 per share. This made Apple the first company in the world to reach a market value of \$3 trillion. The company's stock had been on a tear in recent months, driven by strong earnings growth and investor optimism about its prospects. Given Apple's continued strong earnings growth, expansion into new markets and new product launches, it is possible that its stock could reach \$4 trillion in the future. However, it is also important to remember that stock prices can be volatile, and there is no guarantee that Apple's stock will continue to rise.

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