



Basis Points 11.9.23

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Employment Cooled in October

Employment cooled in October, according to the latest report from the Bureau of Labor Statistics. There were 150,000 new jobs added last month, well below the average monthly gain of 258,000. Job gains occurred in health care, government and social assistance. Employment in manufacturing declined due to strike activity. The number of unemployed persons increased by 146,000 to 6.5 million, and the unemployment rate ticked up 0.1 percentage point to 3.9%. Since April, the unemployment rate and the number of unemployed persons are up 0.5 percentage point and 849,000, respectively.

FOMC Holds Federal Funds Target Rate Steady

Last week, the Federal Open Market Committee voted unanimously to keep the federal funds target rate at its current range of 5.25%-5.50%. The Committee noted that economic activity expanded at a strong pace in the third quarter and, while job gains moderated since earlier in the year, they remained strong. Inflation continued to be elevated. Moving forward, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals (full employment and inflation at a rate of 2.0% over the longer run). Following the meeting, Federal Reserve Chair Jerome Powell maintained a hawkish tone, noting that further policy tightening may be necessary despite signs that price pressures may be waning. Powell stated that, "a few months of good data are only the beginning to build confidence that inflation is moving sustainably to our goal."

Eye on the Week Ahead

This week is a very slow one for economic data. The trade in goods and services deficit report out this week is for September. The Treasury statement is for October, the first month of fiscal year 2024.

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