

WEEKLY MARKET RECAP: March 11 – March 15, 2024

Happy Friday, traders.

Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

With labor market tightness continuing to slowly ease, the Fed should have enough confidence to begin rate cuts this summer. The U.S. economy has seen a significant normalization in labor demand since the pandemic. Last week's JOLTS report showed 8.9M job openings in January 2024, a 27% fall from the peak of 12.2M openings in March 2022. With the economy expected to soften further this year, labor demand in most sectors will continue to moderate. However, pandemic-related distortions and structural factors have kept openings in some sectors elevated.

This week's chart shows current job openings, the March 2022 peak and the 2019 average. Openings in all sectors have declined, and some, like transportation, have come back to their 2019 average. This is due a mix of easing demand as the economy has decelerated and incremental job gains. Also, labor supply has increased with the record number of individuals coming to the U.S. seeking work. On the other hand, some categories, like healthcare and social services, are struggling to hire. With openings still 700k higher than the 2019 average, it seems likely the sector could face chronic shortages due to a lack of qualified workers. Also, the government has struggled to hire, presumably because public wages have not kept pace with the growth in private wages until recently.

Hiring activity has been solid since the pandemic, but structural issues, like the retirement of baby boomers and skills shortages, are impacting certain sectors. Therefore, job openings should continue to decline unevenly. That being said, with labor market tightness continuing to slowly ease, the Fed should have enough confidence to begin rate cuts this summer.

Thanks for reading! Have a great weekend.

Important Note: The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement.

