

# Wall Street surges, jobs data strengthens case for interest rate cuts

US stocks recorded high gains on May 3 as a weaker-than-expected jobs report reinforced expectations of interest rate cuts from the Fed, while also providing evidence of US economic recovery. ...



**At the end of the May 3 session, the Dow Jones industrial average increased 450.02 points (+1.18%) to 38,675.68 points, the S&P 500 added 63.59 points (+1.26%) to 5,127, 79 points and Nasdaq Composite climbed 315.37 points (+1.99%) to close at 16,156.33 points.**

Among the S&P 500's 11 major sectors, all except energy ended the session in positive territory, with technology posting the biggest percentage gain at 3.0%.

All three main US stock indexes have strong increases. The tech-heavy Nasdaq led the way, rising nearly 2% with support from Apple. Specifically, Apple shares increased 6.0% after the company announced a record stock buyback program worth \$110 billion and its Q1 2024 earnings results beat market estimates.

Shares of biotech company Amgen rocketed 11.8% on encouraging data on its experimental weight-loss drug MariTide and first-quarter earnings.

Meanwhile, travel platform Expedia had to cut its full-year revenue growth forecast, sending shares plunging 15.3%.

Trading volume on US stock exchanges was 10.72 billion shares, lower than the average of 11.07 billion shares in the past 20 trading days.

First-quarter earnings season is reaching its final stretch, with 397 companies in the S&P 500 having reported as of May 3 morning. Of those, 77% had results that exceeded analysts' expectations, according to LSEG data.

During the week, all three main indexes recorded more stable signals as the market was encouraged by Fed Chairman Jerome Powell's more dovish-than-expected statements after the interest rate decision on May 1.

Most recently, the US Department of Labor's jobs report showed that the economy added fewer jobs than expected, while the unemployment rate rose and wage growth unexpectedly cooled.

The report could have a positive impact on the Fed, providing signs that the labor market is softening, which chairman Jerome Powell says is necessary to put inflation on a sustainable downward path. The report also provides assurances about the health of the US economy.

In addition, the report has caused investors to increase their bets on the possibility that the Fed will make the first interest rate cut in September.

'The story that investors pay attention to is still the Fed and interest rates. The jobs report on May 3 puts interest rate cuts firmly on the Fed's 2024 agenda. And while the 'higher for longer' view remains on the roadmap, this economic data is being well received by investors, Wall Street, Main Street and all sectors. heat', commented Greg Bassuk, CEO of AXS Investments.

Chicago Fed President Austan Goolsbee commented on the jobs report, saying the new data reinforces confidence that the economy is not overheating. However, Fed Governor Michelle Bowman issued a reminder that interest rate increases are possible if inflation progress is reversed.

'Remember, it's early May; We shouldn't pretend that the year is coming to an end or that somehow all the cards have been played. However, I don't think any Fed official really believes that raising interest rates is appropriate given current conditions and data,' said Oliver Pursche, senior vice president at Wealthspire Advisors.

In the energy market, oil prices continued to decline on May 3 and recorded the largest weekly decline in three months as investors considered weak US employment data and the timing of possible cuts. interest rates.

Brent oil futures contracts for July futures decreased 71 cents, equivalent to 0.85%, to 82.96 USD/barrel. US WTI crude oil futures for June decreased 84 cents, equivalent to 1.06%, to 78.11 USD/barrel.

For the week, Brent oil fell more than 7%, while WTI lost 6.8%.

Investors are concerned that higher borrowing costs will limit economic growth in the US - the world's top oil consumer - after the US Federal Reserve (Fed) decided to keep interest rates unchanged.

Looking ahead, the next meeting of OPEC+ oil producers, members of the Organization of the Petroleum Exporting Countries and allies including Russia, will take place on June 1. Three sources from OPEC+ have revealed that the organization may extend voluntary oil production cuts beyond June if oil demand does not increase.

In the cryptocurrency market, Bitcoin has surpassed the threshold of 60,000 USD. As of press time, based on the latest data from CoinMarketCap, Bitcoin is currently trading at \$60,128, marking a 2.29% increase over the past 24 hours. The recovery comes after the world's largest cryptocurrency experienced a sharp correction earlier in the week.

CryptoQuant, a leading on-chain analysis platform, recently shared insights suggesting that Bitcoin price could recover in the short term. According to their analysis, the moves of short-term investors have a significant influence on Bitcoin's price fluctuations. Furthermore, there is still optimism about the long-term prospects of Bitcoin and other digital assets. The adoption of legal regulations, mainstream acceptance, and increasingly modern integrated systems of blockchain technology across different fields demonstrate the fundamental strength of the ecosystem.

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