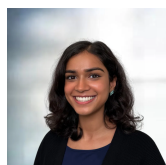


First to Market

June 8, 2026

JOBS GOOD NEWS SHOULDN'T BE BAD NEWS



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ECONOMIC STRATEGIST, MARKET INTELLIGENCE

"Everything good, everything magical happens between the months of June and August." — Jenny Han

Chart of the Day

IPO SUPPLY: AI Raising Capital

1. SpaceX

**\$75 billion**

2. Google

**\$85 billion**

3. Anthropic

**\$75 billion?**

4. OpenAI

**\$100 billion?**

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Good morning!

Friday's strong jobs report reaffirmed that a hiring rebound is underway, but in classic Wall Street fashion, good news is bad news again. That's the wrong take.

The U.S. economy in May added 172,000 jobs, coming in hotter than expectations of an 80,000 increase. In even better news, both April and March numbers were heavily revised up to 179,000 and 214,000. The unemployment rate, meanwhile, held steady at 4.3% for the third consecutive month.

The job gains were across industries and not just healthcare and social assistance, though they were yet again strong contributors. Leisure and hospitality added 70,000 jobs, with food services and drinking places adding around 48,000 of those.

Anecdotes in the Beige Book released Wednesday suggest that could be due expectations for increased travel for the upcoming World Cup.

Professional and business services added 6,000 jobs, growing for the fifth consecutive month. The last time that happened was during the five-month long streak ending in November 2022. We've been watching this section recently because it's a good indicator for how companies are thawing on hiring real people again instead of leaning on AI to complete tasks.

Stocks fell on Friday after the report, dragged down by fears that the Federal Reserve can now confidently increase interest rates and focus on tackling inflation. The S&P 500 lost 2.6%, while the Nasdaq composite declined 4.2%. Hot stocks like Micron and Sandisk lost over 10% each.

Traders in the fed-funds rate futures market are now betting on 1.1 interest-rate hike of a quarter-percentage point by the end of the year. The 2-year Treasury yield, which is particularly sensitive to the near-term outlook for interest rates, rose to 4.160%, the highest level since Feb. 2025.

But the reason why I believe they're wrong is because average hourly earnings have grown by 3.4% from a year ago, falling behind inflation running at 3.8%. This means that even if workers are able to find jobs, they're not in a position to bargain for higher wages, and it's wrong to conflate the two yet. Until they can command higher wages, there's little worry about a wage-price spiral that stokes demand for goods and services.

Workers' optimism would also have to increase before it can be said that the job market is strong. According to a Gallup poll, 43% of Americans aged 15 to 34 in 2025 said it was a good time to find a job locally, the lowest amount since 22% in 2020. Employees need to feel like they have some power before it can confidently be said that the job market has recovered.

Just because the job market seems to be finding its footing after two years of sluggish growth doesn't mean it's tightening up yet to the point where it can sustain interest-rate hikes.

Of course, this is just my view. Kent will share his thoughts tomorrow.

Economic data summary: In the month of May, the U.S. economy added 172,000 jobs, more than double the Wall Street consensus estimate of 80,000, according to the Bureau of Labor Statistics. The unemployment rate held steady at 4.3% for the third straight month. Average hourly earnings rose 0.3% for the month and a total of 3.4% over the past year, just in line with expectations.

Leisure and hospitality led by adding 70,000 jobs, followed by local government 55,000 and healthcare 35,000. Financial activities were the weak spot, shedding 22,000 jobs. It's worth noting that both March and April were revised up by a combined 93,000, meaning the labor market was actually stronger than previously reported.

Overall, this is a great report for the economy. Hiring is solid, wage growth remains slow, and layoffs continue to stay low. The bittersweet part is that strong job growth gives the Fed little reason to cut interest rates, meaning the current borrowing costs are likely to stay high for consumers and businesses in the second half of the year, assuming there are no dramatic changes. — *Kieran McBride*

Share your thoughts

What are your thoughts on the job market? [Click here](#) to send us your response.

Here's what a reader commented

Q: What are your thoughts on Broadcom?

A: I Love Hock Tan & Broadcom. I have invested in Broadcom for many years, it's one of my largest holdings, mainly because I never sell it. In 2014 I started a college savings account for my niece. An initial investment was \$6,848 into Broadcom, see attached screen shot from her account: 4,059% gain, which as of last week is worth \$284,858, even after a 12.6% drop of \$41K. As many semiconductor companies have done in recent times, they tout their AI, however most of Broadcom **profits** now

comes from software. Hock Tan has been gradually building a highly profitable software business, mainly through acquisitions.

Catch up with Fundstrat

As we close out the first week of June, the S&P 500 is basically flat for the week, and up 11% YTD. We continue to view the rally since the end of March as healthy and fueled by stronger earnings and improving fundamental visibility. For the month of June, we are focused on 3 things.

Technical

My 80-day cycle still allows for choppiness into the mid-June to July expiration window, so a defensive stance makes sense until Growth can stabilize, favoring Value as this rotation gets underway.

Crypto

Crypto Selloff Continues as Other Risk Assets Finally Join the Decline: Crypto remained under pressure today. Unlike earlier in the week, however, today's weakness was not isolated to crypto. Technology stocks also sold off sharply following stronger-than-expected labor market data, with broader risk assets finally beginning to consolidate.

News We're Following

Breaking News

- Iran Says It Has Ended Wave of Attacks Toward Israel WSJ

Markets and economy

- For a Select Few, IPOs Are Winners. Good Luck to Everyone Else. WSJ

- This Oil Giant Has Capped Prices at the Pump—but Just for the French WSJ

Business

- How SpaceX Became Embedded in America’s War Machine WSJ
- Eli Lilly shares rise premarket on late-stage weight loss trial success WSJ
- Marvell Technology jumps almost 9% in premarket after news it will join the S&P 500 index CNBC

Politics/U.S.

- GOP cries foul in California as Pratt misses Los Angeles runoff HILL
- How sick is sick enough? New Medicaid work rule worries patient advocates, states POL
- Trump border chief vows New York ice surge, says ‘it’s coming’ BBG

Overseas

- China is helping to cushion global oil prices below \$100 — but analysts warn it won’t last CNBC
- Europe Watches Its Economic Recovery Fade Into the Distance NYT
- Powerful earthquake in southern Philippines leaves at least 19 dead GUA
- Switzerland weighs Franco-Italian alternative to US air defences FT

Of Interest

- America Is Already Losing the World Cup for Hotel Bookings WSJ
- Vermont’s most bizarre real-estate listing is a free college campus WSJ

Overnight	
S&P Futures	+18 ▲ point(s) (+0.25% ▲)
overnight range:	-45 ▼ to +30 ▲ point(s)

APAC	
Nikkei	-3.85% ▼
Topix	-2.45% ▼
China SHCOMP	-1.70% ▼
Hang Seng	-1.22% ▼

China	-1.22% ▼
Korea	-8.29% ▼
Singapore	-1.71% ▼
Australia	-0.70% ▼
India	-1.10% ▼
Taiwan	-3.48% ▼

Europe

Stoxx 50	-0.75% ▼
Stoxx 600	-0.66% ▼
FTSE 100	-0.34% ▼
DAX	-0.82% ▼
CAC 40	-0.71% ▼
Italy	-0.17% ▼
IBEX	-0.72% ▼
Canada	-2.28% ▼
Mexico	-1.86% ▼
Brazil	-0.77% ▼

FX

Dollar Index (DXY)	+0.10% ▲ to 100.17
EUR/USD	-0.10% ▼ to 1.1510
GBP/USD	-0.17% ▼ to 1.3319
USD/JPY	+0.18% ▲ to 160.00
USD/CNY	+0.05% ▲ to 6.7846
USD/CNH	+0.06% ▲ to 6.7865

USD/CHF	-0.25% ▼ to 0.7981
USD/CAD	-0.08% ▼ to 1.3948
AUD/USD	+0.04% ▲ to 0.7051

UST Term Structure

2Y-3M Spread widened	2.1bps to 45.1bps
10Y-2Y Spread widened	1.1bps to 39.0bps
30Y-10Y Spread narrowed	-0.7bps ▼ to 45.6bps

USD HY OaS

All Sectors	-2.1bps ▼ to 310bps
All Sectors ex-Energy	+0.2bps ▲ 298bps
Cons Disc	+10.4bps ▲ to 482bps
Indu	-5.0bps ▼ to 247bps
Tech	+2.1bps ▲ to 218bps
Comm Svcs	-0.8bps ▼ to 296bps
Materials	0.0bps to 248bps
Energy	+0.3bps ▲ to 290bps
Fin Snr	+3.8bps ▲ to 209bps
Fin Sub	-5.4bps ▼ to 303bps
Cons Staples	-1.9bps ▼ to 435bps
Healthcare	+1.4bps ▲ to 319bps
Utes	-0.2bps ▼ to 208bps *

DATE

TIME DESCRIPTION ESTIMATE LAST

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
6/8	11:00 AM	May NYFed 1yr Inf Exp	3.7	3.64
6/9	6:00 AM	May Small Biz Optimisum	96	95.9
6/9	8:30 AM	Apr Trade Balance	-56.5	-60.307
6/9	10:00 AM	May Existing Home Sales	4.06	4.02
6/9	10:00 AM	May Existing Home Sales m/m	1	0.25
6/10	8:30 AM	May CPI m/m	0.5	0.6
6/10	8:30 AM	May Core CPI m/m	0.3	0.4
6/10	8:30 AM	May CPI y/y	4.2	3.8
6/10	8:30 AM	May Core CPI y/y	2.9	2.8
6/11	8:30 AM	May PPI m/m	0.7	1.4
6/11	8:30 AM	May Core PPI m/m	0.5	1
6/12	10:00 AM	Jun P UMich 1yr Inf Exp	4.9	4.8
6/12	10:00 AM	Jun P UMich Sentiment	46	44.8

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