

USA Market Outlook - 11 July 2023

A potentially busy week for stock markets got off to a quiet start Monday, with US indices edging higher despite an off-day for shares of big technology companies. Bouncing back from declines last week, the Dow Jones Industrial Average gained 0.6%, or about 210 points. The S&P 500 and the Nasdaq Composite both ticked up 0.2%. Meanwhile, in Canada, the S&P/TSX Composite shed 0.1%.

A major engine of this year's stock rally, shares of Microsoft, Apple, and Alphabet, all lost at least 1.1% Monday, with Alphabet leading the way with a 2.5% decline.

Meanwhile, financials, energy and industrials were among the better performing sectors. Investors and analysts largely shrugged off the poor day for tech stocks, saying some volatility was to be expected ahead of a key inflation report Wednesday and the start of earnings season later in the week.

Companies outside the tech sector have been helped recently by a run of surprisingly strong economic data. Despite widespread fears earlier in the year that a recession was around the corner, there has been little evidence of a slowdown. Demand for workers is still high, consumer spending remains strong, and even the housing market has shown signs of a possible rebound.

A closely watched report released by the Labor Department on Friday showed employment in the U.S. increased by less than expected in the month of June.

The Labor Department said non-farm payroll employment jumped by 209,000 jobs in June, while economists had expected employment to shoot up by 225,000 jobs.

The report also showed the surges in employment in April and May were downwardly revised to 217,000 jobs and 306,000 jobs, respectively, reflecting a combined downward revision of 110,000.

"A softer jobs report than widely expected has taken some of the steam out of recent market moves, but the labor market remains too tight for the Fed to relax," said ING Chief International Economist James Knightley.

He added, "A July rate hike is coming, but labor data is the most lagging of indicators and softer inflation next week could see rate hike expectations for further out moderate a touch."

The job growth in June came as employment continued to trend up in the government, healthcare, social assistance, and construction sectors. Meanwhile, the report showed the unemployment rate edged down to 3.6 percent in June from 3.7 percent in May, in line with economist estimates.

Top Gainers		
Name	Last Price (\$)	%Change
Wynn Resorts Ltd.	\$107.09	5.69%
Enphase Energy Inc.	\$175.47	5.60%
MGM Resorts International	\$45.50	5.59%
Ralph Lauren Corp. Cl A	\$128.75	5.06%
IDEXX Laboratories Inc.	\$521.21	4.66%

Top Losers		
Name	Last Price (\$)	%Change
FMC Corp.	\$92.63	-11.15%
Corteva Inc.	\$54.09	-5.60%
Alphabet Inc. Cl C	\$116.87	-2.72%
Alphabet Inc. Cl A	\$116.45	-2.54%
Mosaic Co.	\$35.82	-2.53%

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