

MARKET COMMENTARY

Fig. 1: Nationwide Job Openings (thousands)



Source: Bloomberg, Mill Creek.

Financial media has devolved into an endless debate about when the “Fed pivot” from hawkishness to dovishness will occur. Some commentators see a significant slowdown in housing and stock market turmoil and expect the pivot imminently. Others (we fall into this camp) expect the Fed to ignore asset prices and wait until (1) the labor market shows signs of normalization and (2) they see clear evidence that inflation is heading back to their 2% target. Even if the data turns quickly, we’re months away from meeting those objectives.

Unfortunately for the Fed, realized inflation hasn’t declined at all. There are plenty of good reasons to expect inflation to moderate somewhat before the end of the year, but it hasn’t happened yet.

However, the August Job Openings and Labor Turnover Survey “JOLTS,” which surveys job openings nationwide, declined by over one million jobs. While total job openings remain unusually high, August’s decline was the largest on record absent spring 2020 and is the first indication we’ve seen – outside of anecdotal conversations - that the labor market is starting to loosen a bit.

QUICK LINKS

- [Q4 2022 Outlook: Continued Repression](#)
- [A Lehman Moment in Europe?](#)

This week's contributor: Michael Crook, CAIA

Any views expressed above represent the opinions of Mill Creek Capital Advisers ("MCCA") and are not intended as a forecast or guarantee of future results. This information is for educational purposes only. It is not intended to provide, and should not be relied upon for, particular investment advice. This publication has been prepared by MCCA. The publication is provided for information purposes only. The information contained in this publication has been obtained from sources that MCCA believes to be reliable, but MCCA does not represent or warrant that it is accurate or complete. The views in this publication are those of MCCA and are subject to change, and MCCA has no obligation to update its opinions or the information in this publication. While MCCA has obtained information believed to be reliable, MCCA, nor any of their respective officers, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents.

© 2022 All rights reserved. Trademarks "Mill Creek," "Mill Creek Capital" and "Mill Creek Capital Advisers" are the exclusive property of Mill Creek Capital Advisers, LLC, are registered in the U.S. Patent and Trademark Office, and may not be used without written permission.