

Jobs Recovery Or One-Off Blip?

Last month, the BLS reported a stunning gain of 162k jobs in August. Accordingly, economists began to think the job market malaise may finally be thawing. The latest BLS report makes the August data seem like a one-off blip versus a trend change. Last Friday's report showed a pick-up of only 29k jobs, about a third of the consensus, and the unemployment rate climbed to 4.2% from 4.1%. Further pointing to weakness, average hourly earnings edged up five cents to \$37.81, a 0.1% gain, which equates to a decline in wages on an inflation-adjusted basis.

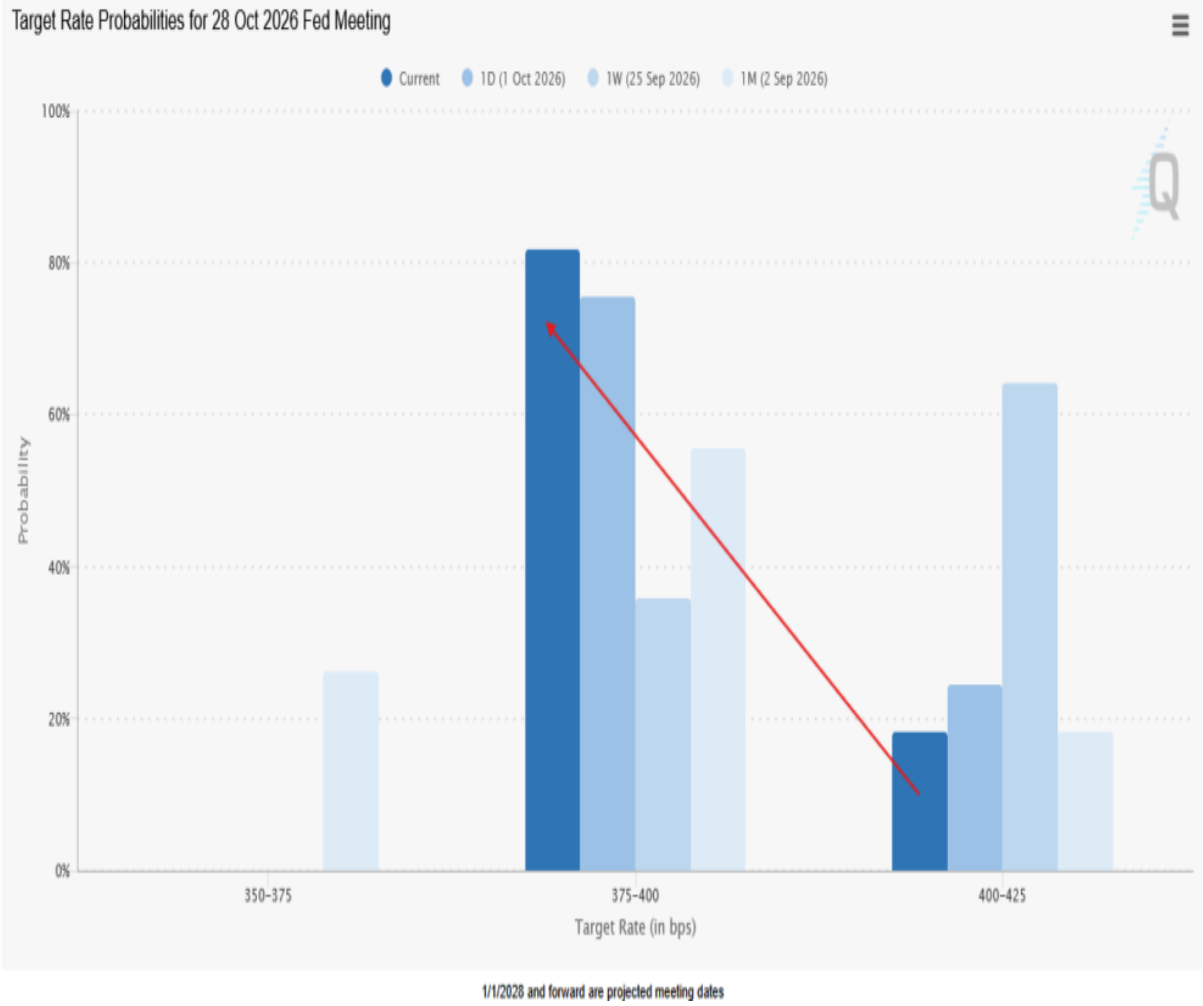
The revisions to prior data were also poor. August's reported gain of 162,000 was cut to 133,000. July, already revised down twice, flipped from a gain to a 10,000 loss. Together, the two months are 60,000 lower than previously reported.

There were some positives. For instance, labor force participation rose to 61.8% from 61.4%, and the employment-population ratio improved to 59.2%. The higher unemployment rate reflects people entering the workforce, not a wave of job losses.

For the Fed, this complicates the case for those members arguing for more. Lorie Logan told an audience last Tuesday she estimates another *50 basis points or more* is needed, citing a labor market *close to most estimates of the lowest sustainable level*. A twelve-month average of 10,000 jobs a month makes that harder to sustain. The market case for more tightening thinned considerably in a few days. As shown below, the odds of the Fed holding rates steady at its next meeting rose from 18% to over 80%.

28 Oct26
 9 Dec26
 27 Jan27
 17 Mar27
 28 Apr27
 9 Jun27
 28 Jul27
 15 Sep27
 27 Oct27
 8 Dec27

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
28 Oct 2026	ZQV6	30 Oct 2026	96.1188	158,611	700,599	0.0 %	81.7 %	18.3 %



What To Watch Today

Earnings

Company	Date	Time	Est. EPS
PepsiCo (PEP)	Thu, Oct 8	Before open	\$2.32*
Delta Air Lines (DAL)	Fri, Oct 9	Before open	\$1.71*

Economy

Day	Economic	Fed
Mon Oct 5	S&P Global services PMI, final (9:45 AM). ISM services PMI , Sept (10:00 AM). 3- and 6-month bill auctions (11:30 AM)	-
Tue Oct 6	Trade balance, Aug (8:30 AM). ADP weekly employment. 3-year note auction (1:00 PM)	Williams, Bowman
Wed Oct 7	MBA mortgage applications. NY Fed consumer inflation expectations. EIA crude inventories (10:30 AM). 10-year note auction (1:00 PM). Consumer credit, Aug (3:00 PM)	FOMC minutes (2:00 PM). Logan, Williams
Thu Oct 8	Initial jobless claims (8:30 AM). Wholesale inventories, Aug (10:00 AM). 30-year bond auction (1:00 PM)	Musalem. Fed balance sheet (4:30 PM)
Fri Oct 9	University of Michigan consumer sentiment, prelim Oct (10:00 AM)	Collins

Market Trading Update

The [**S&P 500 closed Friday at 7,722.72**](#), down 0.3% for the week. It's still trapped inside the range that has held since early August. That range runs from the September 16 closing low near 7,560 up to the August 13 record of 7,798.99. The index sits 0.9% above its 50-DMA at 7,658 and 6.9% above its 200-DMA at 7,224. The 14-day RSI reads 55, squarely neutral. MACD is still positive at about 10 index points, but slipped just below its signal line this week. That's a mild loss of momentum rather than a breakdown.

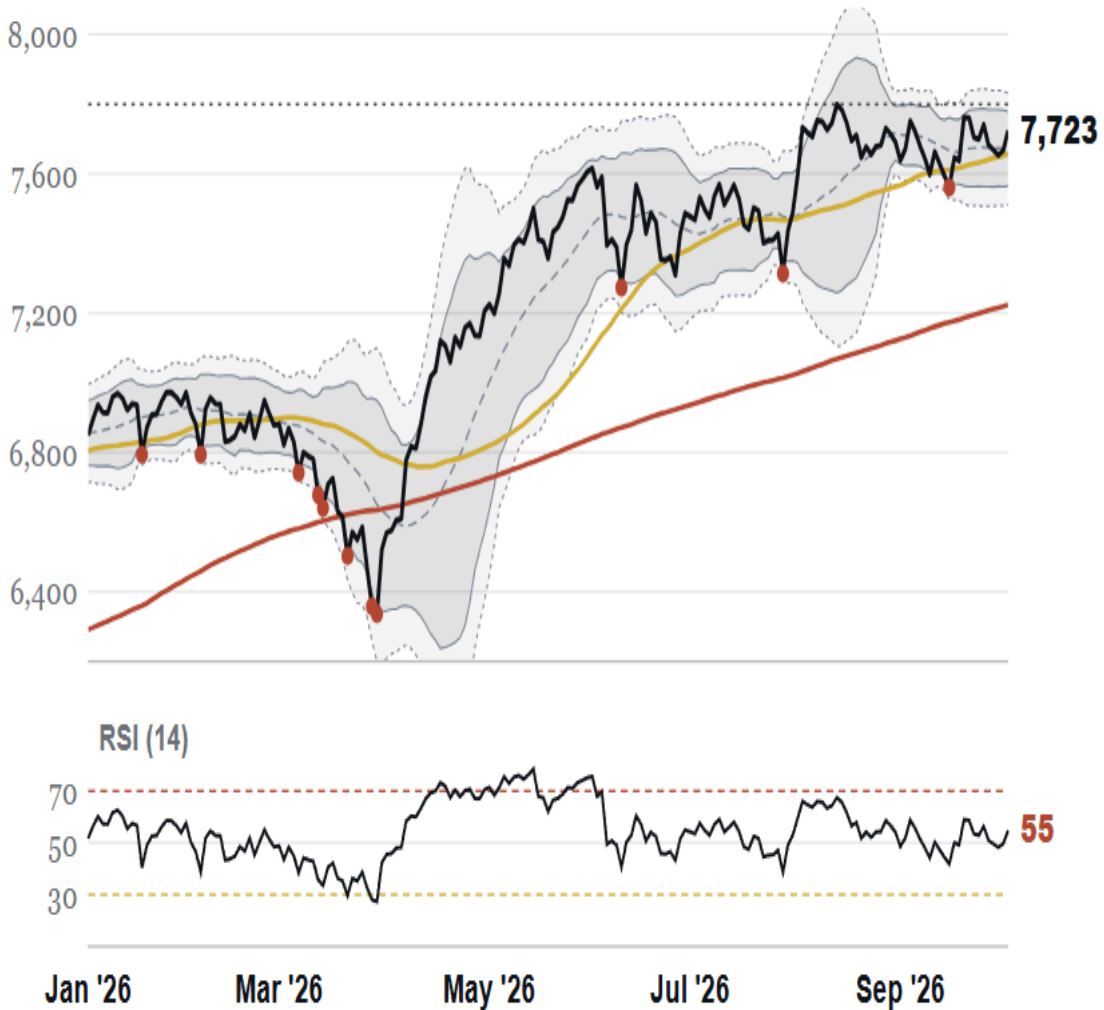
The Bollinger Bands tell the same story. Price sits about one standard deviation above its 20-day mean of 7,672. The upper 2 SD band is at 7,778, just under the record. Such is the problem with this range. The upper band and the record converge at the points where sellers stepped in on August 13, September 3, and September 21. Until the index can close above that zone, rallies toward 7,800 are places to trim rather than chase.

S&P 500 TECHNICAL SETUP

WEEK ENDING OCTOBER 2, 2026

Daily closes, 20-day Bollinger Bands (2 and 3 SD), 50/200-DMA, RSI (14)

— S&P 500 --- 20-day mean — 50-DMA — 200-DMA
■ 2 SD band ■ 3 SD band Record 7,798.99 ● Close below 2 SD



Index levels derived from SPY daily closes, converted with multipliers re-derived against published S&P 500 closes (8/13 and 10/1/2026). Source: RIA Advisors.
Data: Massive Market Data, cross-checked vs Trading Economics and Investrade.
As of October 2, 2026 close.

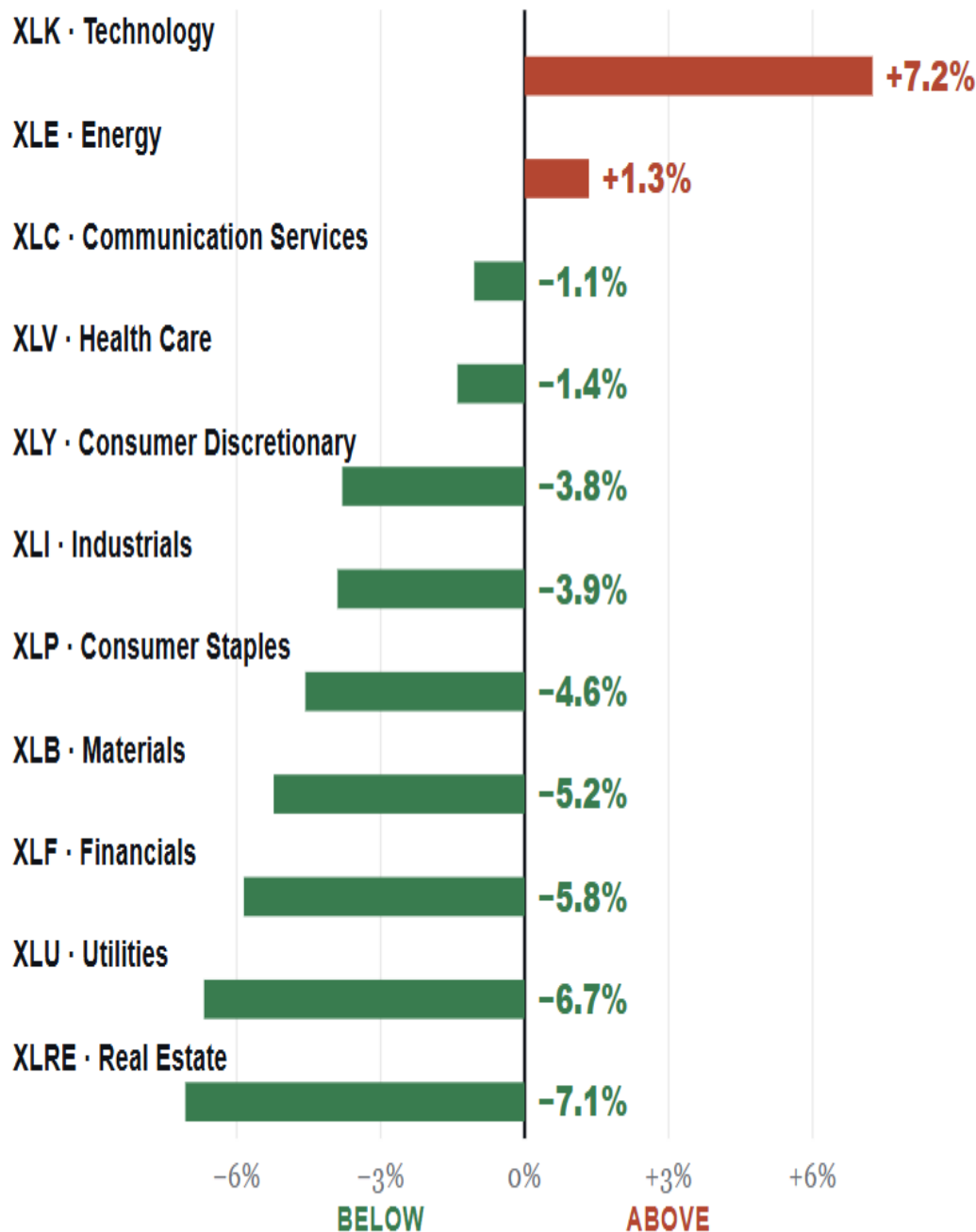
The technical support and resistance levels remain key this week as the Q3 earnings season gears up. All-time highs remain within reach, and support sits immediately below market prices.

Level	Price	% From Close	Significance
R3	8,000	+3.6%	Round-number target on a confirmed breakout
R2	7,799	+1.0%	August 13 record close (7,798.99)
R1	7,778	+0.7%	Upper 2 SD Bollinger Band
Close	7,722.72	-	Friday, October 2 close
S1	7,658	-0.8%	50-DMA, with the 20-day mean at 7,672 just above
S2	7,560	-2.1%	September 16 closing low and lower 2 SD band (7,565)
S3	7,224	-6.5%	200-DMA

The bigger issue is underneath the index. Only two of the 11 S&P 500 sectors, technology and energy, closed above their own 50-day moving averages on Friday. Technology sits 7.2% above its average. Real estate (-7.1%), utilities (-6.7%), and financials (-5.8%) sit deep below theirs. The ratio of equal-weight to cap-weight has dropped 4.4% since June 30. That's a narrow tape. When one sector carries the market while nine others trade below their averages, the index can hold up for a while, but it grows more vulnerable to a stumble in the handful of mega-cap technology names doing the lifting.

ONLY 2 OF 11 SECTORS ARE ABOVE THEIR 50-DMA

Percent from each sector ETF's 50-DMA. S&P 500 (SPY): +0.8%



Source: RIA Advisors calculation. SPDR sector ETF closes via Massive Market Data.
As of October 2, 2026 close.

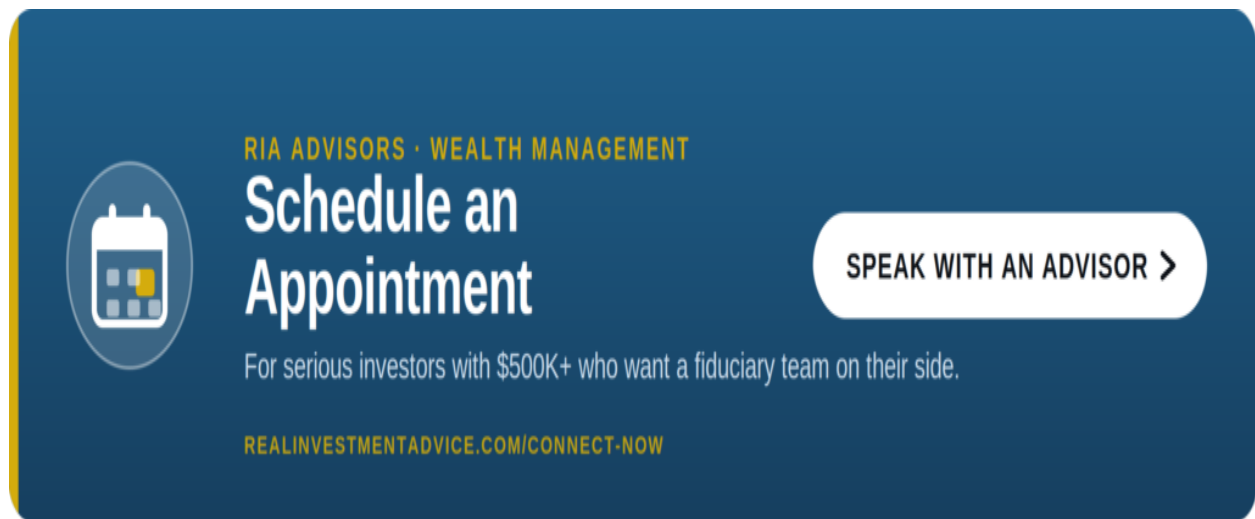
Technology sits 7.2% above its 50-DMA, and energy 1.3% above. The other nine sectors trade below theirs, led by real estate at -7.1%.

Dispersion cuts both ways, though. The skeptics will tell you a market this narrow has to break, and eventually they may be right. However, deeply oversold sectors are exactly where a *broadening* rally would come from. Real estate, utilities, and financials are the groups most hurt by rising yields. They also have the most room to snap back if Friday's pullback in rates continues.

A retreat in the 10-year below 5% would likely do more for market breadth than any earnings report.

This week, patience pays at the top of the range. We continue to recommend trimming positions that have run toward the record and rebalancing back to target weights. Pullbacks that hold the 50-DMA near 7,658 are buyable. A close above 7,800 on strong volume would confirm a breakout and open a path toward 8,000. A close below 7,560 would break the range. That's where we'd raise hedges and tighten stops, with the 200-DMA near 7,224 as the next support.

The single level to watch next week is 7,800. Clear it, and the summer consolidation resolves higher. Fail there again, and the range is likely to continue, with the risk tilted toward the 7,560 floor.

A blue banner with a yellow vertical bar on the left. On the left is a white calendar icon with a yellow square. To its right, the text "RIA ADVISORS · WEALTH MANAGEMENT" is in yellow. Below that, "Schedule an Appointment" is in large white font. Underneath is the text "For serious investors with \$500K+ who want a fiduciary team on their side." in white. At the bottom is the URL "REALINVESTMENTADVICE.COM/CONNECT-NOW" in yellow. On the right is a white button with the text "SPEAK WITH AN ADVISOR >" in blue.

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The Week Ahead

Next week is thin on data, but we will get the September FOMC minutes on Wednesday afternoon to better understand the rationale for the Fed's rate hike. That meeting produced a 12-0 vote, a hike to 3.75-4.00%, and a dot plot that erased the 2027 cut path entirely. It will be interesting to see how many participants shared Lorie Logan's view that another 50 basis points or more is needed, and how many leaned toward Christopher Waller, who said last month he would lean toward holding. Since that meeting, Core PCE came in at 3.0% against a 3.4% consensus, and September payrolls were weak, as we discussed above.

Earnings start in earnest next week, with the banks beginning on October 13.

Price Of Happiness: Missing The Things That Matter

The *price of happiness* chart came around again recently, and the number attached to it was as confident as ever. One widely shared version, built from a Remitly analysis, ranked 50 countries. The measure: how close the average wage gets to the income where happiness supposedly *plateaus*. Slovenia was the only country where wages cleared the bar.

In the U.S., the figure landed at 55.8%, with a *price of happiness* pegged at \$134,827, precise to the dollar. The trouble is that the figure doesn't measure happiness at all, and I can show you that using the exact study the chart is built on.

[READ MORE?](#)

HOW MUCH DO YOU NEED TO BE HAPPY?



Countries with the highest 'Price of Happiness'

The estimated annual income at which additional earnings no longer significantly increase a person's self-reported well-being.



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Good Morning from [#Germany](#), where Berlin has reason to worry about France: Paris's budget drama is pushing the French 10yr yield premium over Bunds toward 149bps, the widest since Jan 2012. German bonds are a haven, but French fiscal turmoil is hardly good news for Germany.



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