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**TOM KEENE, BLOOMBERG:**

Now joining us Tiffany Wilding here with PIMCO, off a sea change jobs report. What was so cool Tiffany, it wasn't like one big number (gasp) 40,000 non-front payrolls, OMG! I looked at seven, eight, nine statistics that showed an ebbing. What did you see beneath the headline data?

**TIFFANY WILDING, PIMCO:**

Yeah, I agree with you. Like the non-front payroll number of 150 was okay. But you're right like every other statistic looked weaker. The household survey definitely looked weaker. We've been talking a lot about the rule from Claudia Sahm, “The Sahm Rule”. And we're actually- and that's the rule that if you have payrolls that are rising, at a certain level over several months, or the unemployment rate excuse me, over certain levels over several months, it usually indicates that we're in a recession. And if we have 3.9 on the unemployment rate or higher over the next two months, then we basically triggered that rule. So we're creeping up on a level that's starting to get concerning. And if you look under the surface, what I would just say overall, is is that the labor market is slowing here.

**PAUL SWEENEY, BLOOMBERG:**

Exactly but one could argue it's kind of slowing on a reasonable well-controlled pace as Tom suggested. We didn't get like a 40,000 print here. But it just seems like it's winding down, because we look at this economy, Tiffany. I always said how can you have a recession with such a robust job market? Well, maybe- you get a sense here, that this is winding down and kind of a reasonable best case scenario, if you will.

**WILDING:**

Yeah, I mean, so it is for now. The one thing that I would just say in terms of a word of caution is that usually what happens with the labor market; and this happens, historically throughout the cycles, is that you're right It sort of winds down at a nice pace, and then at some point for some reason, it just falls off a cliff. And you have that “Wile E. Coyote" moment, and it's like you have every CEO that wakes up, maybe they take a look at their stock price, they start getting a little bit nervous and then you have this big labor adjustment that's happening. So I think you know, that's always been a risk and it's something obviously that the Federal Reserve is weighing, but we'll have to see.

**KEENE:**

Up a hundred and fifty two down points here. We're gonna get our 14 VIX, 15.19. Paul, off the bottom, the grimness of the crater known as Citigroup, up 10.1 percent, and like three cups of coffee.

**SWEENEY:**

Yep. Exactly. Hey Tiffany, I'm looking at these yields in the treasurey market. Some big, big moves here. 10 year off 15 basis points, same for the two year. So I mean it the markets just kind of running with this. It seems like- does this seem like a reasonable kind of response to you?

**WILDING:**

You know, well, I think I think ultimately- I think the market- I think many people were expecting Powell to at least nudge the market a little bit more towards giving them optionality in December. And I think the context of that view was that we got incredibly strong data In the month or two prior to this. Like we have, gross GDP growth at five percent and in the third quarter. That is well above any sort of estimate of trend. And so given that strength, It was kind of surprising that Powell didn't at least give the committee optionality. And so I think In all of that context, and now the data is confirming the pause, I think the market's are you know, we're just saying, “Hey, you know what, the Fed is very likely done here.”

**KEENE:**

Tiffany, thank you Tiffany Wilding, with us with PIMCO, on it really truly on a historic day coming out of this pandemic.