

Dow industrials post best day in 2 months after better-than-expected November jobs report

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An earlier version of this article misspelled Bank of America Merrill Lynch chief U.S. economist Michelle Meyer's name. The error has been corrected.



Bloomberg News/Landov

People scour the job board looking for employment

U.S. stocks closed sharply higher Friday, with the Dow Jones Industrial Average having its best day in two months, after the employment report from the Labor Department beat economists' consensus expectations, showing an estimated 266,000 new jobs created in November, the most since January, while the unemployment rate fell to a 50-year low.

Investors also remained optimistic about the chances of a U.S. — China trade deal, even though the deadline that will see import duties increased looms on Dec. 15.

How did the major benchmarks perform?

The Dow Jones Industrial Average [DJIA, +1.22%](#) rose 337.27 points, or 1.2%, at 28,015.06, while the S&P 500 index [SPX, +0.91%](#) gained 28.48 points, or 0.9%, to 3,145.91, and Nasdaq Composite Index [COMP, +1.00%](#) advanced 85.83 points to 8,656.53, a gain of 1%.

The Dow notched its best day since Oct. 4 and sits 0.5% away from its record close of around 28,164 set on Nov. 27, while the S&P 500 posted its best percentage gain since Nov. 1 and remains 0.2% from its record of 3,153.63 also set on Nov. 27. The Nasdaq's advance put it 0.6% below its Nov. 27 record close of 8,705.18.

For the week, the Dow and Nasdaq lost 0.1%, while the S&P 500 gained 0.2%.

What drove the market?

The U.S. economy created 266,000 new jobs in November, [the Labor Department reported](#), the biggest gain since January, signaling the labor market remains robust even though economic growth has slowed. The government also revised the increase in new jobs in October to 156,000 from 128,000 and September's gain was raised to 193,000 from 180,000.

The increase in new jobs easily topped the 180,000 MarketWatch forecast, helped by the end of the General Motors [GM, +0.65%](#) autoworkers strike which added roughly 50,000 jobs to the payrolls number.

The unemployment rate slipped to 3.5% from 3.6% and matched a 50-year low. The average wage paid to American workers

rose 7 cents, or 0.2%, to \$28.29 an hour. The 12-month rate of hourly wage gains slipped to 3.1% from 3.2%.

The strength of the employment report was seen justifying Federal Reserve Chairman Jerome Powell's policy of leaving interest rates on hold, analysts said.

Read: [Fed is 'super-glued' to its seat until after the election, economists say after stellar jobs report](#)

"Today's jobs report should have the Fed feeling good about the current stance of policy of remaining on hold at 1.50-1.75%," said Michelle Meyer, Bank of America Merrill Lynch's chief U.S. economist. "Moreover, the strong employment activity suggests that the economy is in a better spot than previously thought to withstand any potential drag from the US-China trade war and other geopolitical risks in the outlook."

In other U.S. economic data, the University of Michigan's December [consumer-sentiment indicator rose](#) to 99.2 from 96.8 in the prior month.

Meanwhile, U.S.-China trade talks also remain in the spotlight ahead of the Dec. 15 deadline for \$156 billion in new tariffs on consumer goods to take effect.

China's State Council on Friday [began the process of exempting some soybeans and pork](#) imported from the U.S. from import tariffs, the state-run Xinhua News Agency said, a move taken as a sign of progress on at least a partial trade pact. The [Wall Street Journal reported](#) earlier in the week that the value of the farm goods China will buy from the U.S. is still an issue, as trade representatives in China are still pushing for a phaseout of earlier tariffs.

The U.S. and China are in an "intense" phase of trade talks, but a deal is "in fact close," though President Trump was prepared to walk away if he did not get the terms wanted, White House National Economic Council director, Larry Kudlow [told CNBC on Friday morning](#).

Stocks To Watch

Shares of **Apple Inc.** [AAPL, +1.93%](#) surged 1.9%, to close at a record \$270.71 a share.

Financial stocks got a big lift Friday, as the much stronger-than-expected November jobs data pushed up bond yields. The **SPDR Financial Select Sector ETF** [XLF, +1.34%](#) rallied 1.3%. **Bank of America** [BAC, +1.75%](#) increased 1.8%, **Citigroup** [C, +1.47%](#) rose 1.5%, and **J.P. Morgan** [JPM, +1.49%](#) gained 1.5%.

Chevron [CVX, +1.44%](#) and **Exxon Mobil** [XOM, +1.61%](#) both gained after news [OPEC is deepening its crude oil production cuts](#). Chevron shares rose 1.4% and Exxon's stock gained 1.6%.

3M [MMM, +4.32%](#) was the Dow's best performing stock, advancing 4.3% after [a report](#) that is drug delivery business was being sold.

Uber Technologies [UBER, -2.76%](#) closed 2.8% lower after it [said it received more than 3,000 reports of sexual assault](#) in the U.S. last year, down 16% from a year earlier.

How did other markets fare?

The yield on the 10-year U.S. Treasury note [TMUBMUSD10Y, +1.58%](#) rose 4.7 basis points to 1.842%, [after the much stronger than expected U.S. employment report](#).

Oil futures climbed on Friday, with prices posting a hefty weekly gain, after [OPEC and its allies agreed to officially cut](#) production by 500,000 barrels a day on top of its current reduction agreement, beginning in January. West Texas Intermediate crude for January delivery [CLF22, +1.20%](#) on the New York Mercantile Exchange rose 77 cents, or 1.3%, to settle at \$59.20 a barrel, a 7.3% gain on the week, according to Dow Jones Market Data.

[Gold prices fell sharply Friday](#), as better-than-expected growth in U.S. jobs in November pushed up bond yields, stocks and the U.S. dollar. February gold [GCF20, -1.24%](#) on Comex fell \$18, or 1.2%, to settle at \$1,465.10 an ounce.

The U.S. dollar, as measured by the ICE U.S. Dollar Index [DXY, +0.27%](#), rose 0.3% to 97.68 against a basket of a half-dozen currency peers. However, for the week the index lost 0.6%.

European stocks closed higher, with the Stoxx 600 Europe index [SXXP, +1.16%](#) ending the session up 1.2% at 407.35.

In Asia overnight Friday, the Hang Seng [HSI, +1.07%](#) advanced 1.1%, the China CSI 300 [000300, +0.59%](#) rose 0.6%, while the Shanghai Composite Index [SHCOMP, +0.43%](#) closed 0.4% higher.