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US Stocks Reach New Highs as Solid Jobs Report Lifts Markets

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U.S. stocks charged to fresh record highs on Thursday, boosted by an unexpectedly strong jobs report that reassured investors about the health of the economy. The rally sent major indexes to levels never seen before, while bond yields climbed sharply as hopes faded that the Federal Reserve would cut interest rates soon.

The Standard & Poor's (S&P) 500 rose 0.8%, notching its fourth record close in just five trading days. The Dow Jones Industrial Average added 344 points or 0.8%, and the Nasdaq composite advanced 1%. The gains were broad-based, with companies that tend to do well when consumers feel confident leading the way.

Expedia shares climbed 3.2%, and Norwegian Cruise Line gained nearly 3%. Big banks also posted solid advances, with Citigroup up 2.3% and JPMorgan Chase rising 1.9%. The optimism was sparked by a U.S. government report showing that employers added 147,000 jobs last month, more than expected. The strong hiring suggests that the job market remains resilient despite concerns over U.S. President Donald Trump's tariffs and their potential impact on growth and inflation.

"There is nothing to complain about here," said Carl Weinberg, chief economist at High Frequency Economics. "You cannot find any evidence of a nascent recession in these figures."

Another report showed fewer Americans filed for unemployment benefits last week, a sign that layoffs are easing. The data lifted bond yields as investors adjusted their expectations for what the Federal Reserve might do next.

The yield on the 10-year Treasury rose to 4.34% from 4.30% late Wednesday, while the two-year Treasury yield, which is more sensitive to Fed policy, climbed to 3.88% from 3.78%. Just a day earlier, traders had seen nearly a 24% chance that the Fed would cut rates at its upcoming meeting. Now, that probability has dropped below 5%.

Fed Chair Jerome Powell has signaled he prefers to wait and see how tariffs affect the economy before making a move on interest rates. While lower rates can help boost borrowing and spending, they can also fuel inflation, which could become more problematic if new tariffs take effect.

Some companies remain concerned about trade tensions. A recent survey by the Institute for Supply Management found that higher costs linked to tariffs were pressuring businesses in industries like agriculture and manufacturing.

Still, Thursday's trading session was marked by enthusiasm. Datadog surged nearly 15% after announcing it would join the S&P 500 index, replacing Juniper Networks following its merger with Hewlett-Packard Enterprise.

While shares of homebuilders like Lennar and D.R. Horton fell as high rates threatened mortgage affordability, most sectors participated in the rally. Overseas, European and Asian indexes were mostly higher, with South Korea's Kospi up 1.3%, reflecting a global wave of optimism.