

Stock market news live updates: Stocks tumble after Powell's slower but higher cues

Alexandra Semenova
·Reporter

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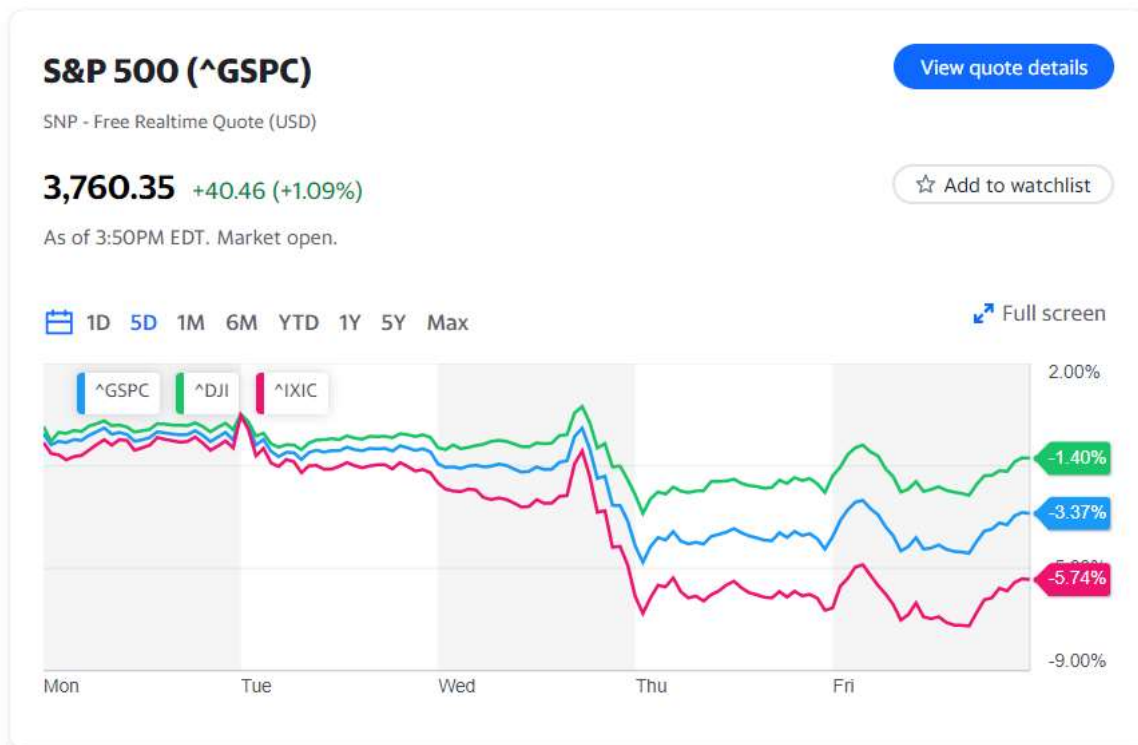


U.S. stocks fell lower Thursday as Wall Street reeled from assertions by Federal Reserve Chair Jerome Powell that hopes for a policy pivot were “premature” after the central bank [delivered a fourth consecutive interest rate hike](#) of 75 basis points.

The S&P 500 (**^GSPC**) sank 1.1% after the index [plunged 2.5% in the previous session](#), its worst loss on a Fed day since January 2021, per Bloomberg data. The Dow Jones Industrial Average (**^DJI**) shed 150 points, or 0.5%, and the technology-focused Nasdaq Composite (**^IXIC**) was off by 1.7%.

Meanwhile, Treasury yields ascended, with the key 10-year note inching toward 4.2%, and the rate-sensitive 2-year yield above 4.7%. The U.S. dollar index also moved higher.

The S&P 500's 2.5% loss Wednesday marked its 54th decline of 1% or more in 2022 — the worst downside volatility since 2009, according to [Compound Advisors' Charlie Bilello](#).



U.S. investors also had their attention on action across the Atlantic, [with the Bank of England following suit](#) on the Fed's move, also raising interest rates by three quarters of a percentage point.

Wednesday's increase brings the Fed's benchmark policy rate, the federal funds rate, to a new range of [3.75% to 4%](#), [its highest level since 2008](#). Although the move came in line with expectations, [stocks sank after Powell indicated](#) officials may lift interest rates above the 4.6% previously estimated – signaling further tightening is certain, even after the policy statement implied hikes may be smaller in size.

“The market initially viewed the November Federal Open Market Committee (FOMC) statement as dovish, but a hawkish press conference caused almost a full reversal of these moves due to comments that the ‘ultimate level of interest rates will be higher than previously expected’ and

it is 'premature to think about pausing rate hikes,'" economists at Bank of America led by Michael Gapen said.

The FOMC's statement also acknowledged the lagged effects of cumulative monetary tightening, suggesting heightened attention by the rate-setting group to concerns over economic growth.



WASHINGTON, DC - NOVEMBER 02: U.S. Federal Reserve Bank Board Chairman Jerome Powell delivers opening remarks during a news conference following a meeting of the Federal Open Market Committee (FOMC) at the bank headquarters on November 02, 2022 in Washington, DC. In a move to fight inflation, Powell announced that the Federal Reserve is raising interest rates by three-quarters of a percentage point, the sixth interest rate increase this year and the fourth time in a row at rates this high. (Photo by Chip Somodevilla/Getty Images)More

Investors shift their attention now to the [all-important jobs report](#) at 8:30 a.m. ET on Friday. Figures from the labor department are projected to show a payroll gain of 190,000 for October, according to Bloomberg estimates. The print, if realized, would mark a drop-off of numbers seen across the pandemic recovery but reflect still-robust hiring, with pre-COVID payrolls averaging 150,000-200,000 per month.

Powell also said in his speech that “the labor market continues to be out of balance, with demand substantially exceeding the supply of available workers.”

In corporate news, Elon Musk is reportedly planning to slash roughly half of Twitter’s workforce (3,700 of approximately 7,500 employees), according to [a report from Bloomberg News](#) – just one week after closing a dragged-out bid to purchase the social media platform in a \$44 billion deal.



Elon Musk’s photo is seen through a Twitter logo in this illustration taken October 28, 2022.
REUTERS/Dado Ruvic/Illustration

On the earnings side, shares of Qualcomm ([QCOM](#)) sank roughly 8% Thursday after the smartphone chipmaker [issued a forecast that fell below estimates](#), citing macroeconomic headwinds and COVID lockdowns in China.

Shares of Roku ([ROKU](#)) fell 5% [after the company warned of](#) economic pressures and weakness in advertising sales, while also forecasting wider-than-expected loss for the current quarter.

Meanwhile, Etsy ([ETSY](#)) shares rallied nearly 15% in after the online marketplace [reported third-quarter revenue that beat analysts' expectations](#).

