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## Good news for those who like bad news

With the strong September payrolls report released Friday, Main Street continues to thwart the Federal Reserve's plans to reduce inflation. Typically, a low unemployment rate and solid number of hiring are positives. But September's 3.5% jobless rate and addition of 263,000 jobs would be welcome—even a sign of a healthy economy. Likewise, September's ISM report indication that the broad services sector remains in growth territory would normally be good news.

But with inflation still at multi-decade highs, the success of the labor market means the Federal Reserve will keep its foot on the accelerator, raising the likelihood of pushing the economy into a recession. The consensus remains for an oversized 75 basis-point hike in the fed funds target range at the November policy meeting. That would put it at 3.75-4%—yes 4%—a remarkable jump from the zero bound of the first quarter. While rising rates benefit liquidity products, a recession is hardly welcome.