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What to watch

Jobs report likely means no move by Fed in June

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NEW YORK Forget about it.

That's the consensus on the odds for an interest-rate hike the next time the Federal Reserve meets in mid-June.

The reason was Friday's news that 160,000 jobs were created in April, versus the 200,000 expected. The Labor Department also said 19,000 fewer jobs were created in February and March than previously reported.

"April U.S. employment report puts June rate hike off the table" was the headline in a report from Barclays Research. Barclays went on to say it now only sees one rate hike this year, in September, down from the total of two it had previously expected.

"We were not looking for the Fed to hike rates at the June meeting, but (the April jobs) report makes this event less likely at the margin, given the mixed data," chief economist Don Rissmiller at Strategas Research Partners told clients.

Chris Rupkey, chief financial economist at MUFG Union Bank told clients a June rate hike is still on the table considering there is another month of data before the next meeting. "(B)ut there is no compelling reason for Fed officials to move given what the employment report has put on their plates today."

Of course, not everyone is so sure. Paul Ashworth, chief U.S. Economist at Capital Economics, said "we still think the Fed will hike next month, but it's shaping up to be a close call."

Markets don't think so. Fed futures now peg odds of a June hike at 4%, according to the CME.