



Cooperation Week – October 16 to 22, 2016

Desjardins supports thousands of student retention and educational success projects, sources of greater economic prosperity. For more information, go to desjardins.com.

October 7, 2016



CANADA

Surprising job growth, especially in Quebec

HIGHLIGHTS

- Canada's labour market created 67,200 jobs in September—results clearly better than expected. This gain follows 26,200 new jobs created in August.
- The unemployment rate in Canada stayed put at 7.0%.
- Quebec stands out with 38,300 new hires in September after posting 21,900 new jobs in August, pushing the unemployment rate down from 7.1% to 6.9%.
- Ontario boosted its ranks by 16,200 new jobs—the unemployment rate is now 6.6% vs. 6.7% one month earlier.

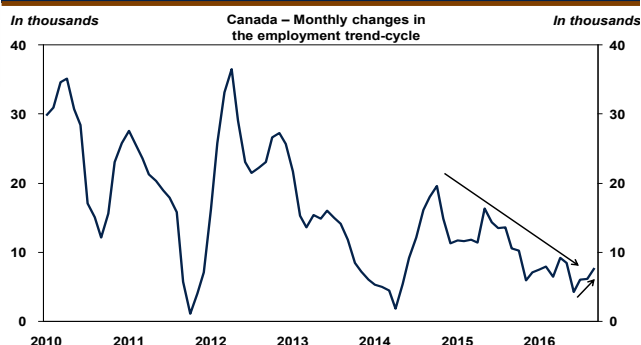
COMMENTS

The broad volatility that affects job data struck once again in September, with the strongest job creation since the spring of 2012. Let's not be too quick to rejoice, however. The risks that the pendulum will swing back and reduce the number of jobs significantly in October are fairly high. In such conditions, the employment trend-cycle offers a much more realistic snapshot of the labour market; this indicator is still fairly weak from a historical standpoint. That said, its stability is reassuring after several months of declines.

Quebec has been the frontrunner in Canada's job market for a few months now. The unemployment rate in the province even fell below the national average in September. However, caution is in order when looking closely at the results, since provincial data are particularly subject to volatility.

Implications: The stabilization of the job trend is good news, suggesting that the economic difficulties seen in the past few quarters are starting to dissipate. However, several uncertainties still cloud the coming quarters' economic outlook. A few more months are likely to pass before the job

The job trend in Canada is stabilizing



Sources: Statistics Canada and Desjardins, Economic Studies

Quebec's labour market has stood out for several months

Average changes in monthly job data				
	September 2016	Past 3 months	Past 6 months	Past year
Canada	67,200	20,700	12,200	11,600
Quebec	38,300	18,700	11,400	5,000
Ontario	16,200	-3,100	800	6,800
British Columbia	-600	1,600	4,300	5,100
Prairies	11,500	3,200	-5,900	-5,000
Atlantic	1,600	300	1,700	-400

Sources: Statistics Canada and Desjardins, Economic Studies

data start to show a convincing uptrend. In the meantime, keeping the monetary policy unchanged is the right course of action.

Benoit P. Durocher
Senior Economist

François Dupuis
Vice-President and Chief Economist

Hélène Bégin
Senior Economist

Benoit P. Durocher
Senior Economist

Francis Généreux
Senior Economist

514-281-2336 or 1 866 866-7000, ext. 2336
E-mail: desjardins.economics@desjardins.com