

# ECONOMIC NEWS

## Canada: Job Creation Remains Solid

### HIGHLIGHTS

- ▶ The Canadian labour market saw 19,400 jobs created in March.
- ▶ The creation of 20,400 jobs in Alberta strongly tipped the scale.
- ▶ The goods sectors added 22,800 jobs, mainly due to a 24,400-increase in manufacturing. The service sectors lost 2,400 jobs.
- ▶ The participation rate ticked up from 65.8% to 65.9%, nudging the unemployment rate up from 6.6% to 6.7%.

### COMMENTS

While most forecasters expected some lost momentum after strong advances in recent months, the labour market once again demonstrated resilience with greater-than-expected job creation. With the exception of November 2016, when 2,400 jobs were lost, significant gains have been observed in employment in each month since last August. The labour market has benefited from a cumulative creation of 273,700 jobs during this period, corresponding to a monthly average gain of 34,200 jobs.

Improved labour market conditions over recent months coincides with the more positive results in terms of output, as advances in real GDP have sharply improved since mid-2016. For now, the results of various indicators also suggest that economic growth will be fairly strong in the first quarter of 2017. Clearly, good employment results also support this.

### IMPLICATIONS

The upswing in employment has still not translated into significant acceleration in wage growth, thereby adding weight to the Bank of Canada's statement about excess capacity being still present in the labour market. In these conditions, monetary authorities will have all the latitude needed to order an additional extension of the status quo on key interest rates.

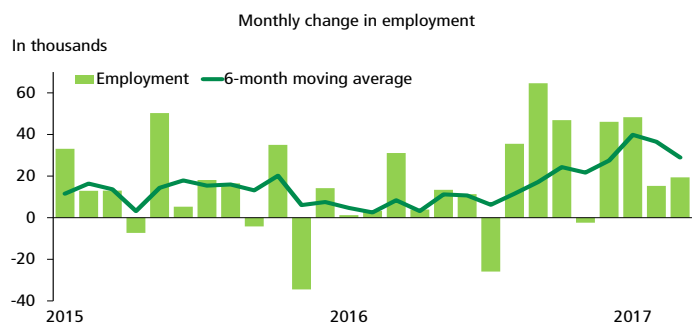
**Benoit P. Durocher**, Senior Economist

François Dupuis, Vice-President and Chief Economist

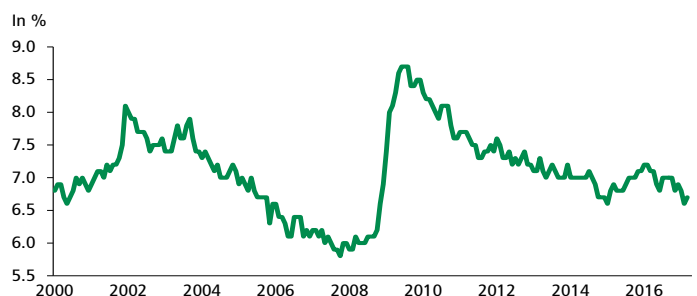
Hélène Bégin, Senior Economist • Benoit P. Durocher, Senior Economist • Francis Généreux, Senior Economist

Desjardins, Economic Studies: 514-281-2336 or 1 866-866-7000, ext. 5552336 • [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](http://desjardins.com/economics)

**GRAPH 1**  
Trend in employment remains fairly high



**GRAPH 2**  
Despite March's increase, the unemployment rate remains relatively low



NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

IMPORTANT: This document is based on public information and may under no circumstances be used or construed as a commitment by Desjardins Group. While the information provided has been determined on the basis of data obtained from sources that are deemed to be reliable, Desjardins Group in no way warrants that the information is accurate or complete. The document is provided solely for information purposes and does not constitute an offer or solicitation for purchase or sale. Desjardins Group takes no responsibility for the consequences of any decision whatsoever made on the basis of the data contained herein and does not hereby undertake to provide any advice, notably in the area of investment services. The data on prices or margins are provided for information purposes and may be modified at any time, based on such factors as market conditions. The past performances and projections expressed herein are no guarantee of future performance. The opinions and forecasts contained herein are, unless otherwise indicated, those of the document's authors and do not represent the opinions of any other person or the official position of Desjardins Group. Copyright © 2017, Desjardins Group. All rights reserved.