Canada: The Highest-Ever Job Creation Rate Has Pushed Unemployment to an All-Time Low

**HIGHLIGHTS**
- The Canadian labour market saw 94,100 jobs created in November, the highest monthly increase since the labour force survey started in 1976.
- The unemployment rate dipped from 5.8% to 5.6%, a new low since 1976.
- Another source of data indicates that we would have to go back to November 1974 to find unemployment rate as low as it was in November 2018.

**COMMENTS**
It goes without saying that the labour force survey findings were way above expectations. That is good news for the Canadian economy, while employment trends have also sped up somewhat in the past three months. That said, given the great volatility of employment results, November’s spike may have been underpinned by some one-time factors. In particular, November 2018 was colder than usual and snow was seen in several regions. Seasonal adjustment was no doubt skewed by the rapid arrival of many seasonal workers.

**IMPLICATIONS**
Over and above the colossal findings of November 2018, the healthy state of the labour market has been with us for some time. The unemployment rate was still very low, and companies had been talking about labour shortages for some time. Against that backdrop, the Bank of Canada should not spend too much time on that particular finding. Recent concerns have in fact centred more on adjusting the Canadian economy to interest rate hikes, lower oil prices and surging protectionism in global trade.