

## ECONOMIC NEWS

# Canada: Brisk Hiring Continues to Surprise

### HIGHLIGHTS

- ▶ The labour market added 81,100 new hires in August, beating expectations by far.
- ▶ The service sectors created 73,300 new positions, while the goods sectors boosted their ranks by 7,800 new workers.
- ▶ Just over half of these new positions were filled by young people (between 15 and 24 years of age), or 42,000 jobs.
- ▶ Workers aged 55 and over also saw a boost in hiring in August, with 22,000 new jobs.
- ▶ The unemployment rate stayed put at 5.7%.
- ▶ The annual variation in the average hourly wage declined from 4.5% to 3.7%.

### COMMENTS

After two months of declining employment, which had been preceded by several months of exceptional growth, the labour market rebounded in August. Clearly, the employment trend across the country is still very strong. This result seems surprising at first glance, as fears of a global and, by extension, Canadian economic slowdown have risen significantly in recent weeks.

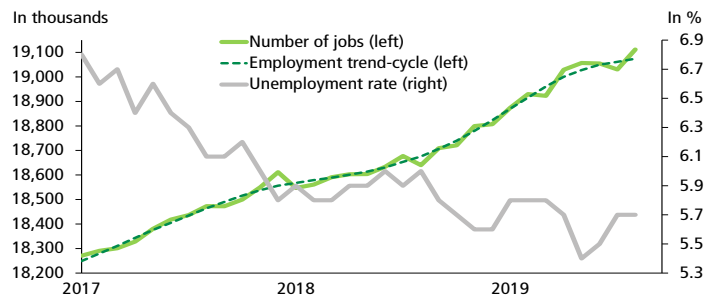
Many positions across Canada remain open, which is fuelling the search for new workers in companies, despite the more uncertain outlooks. This is good news for Canadians, especially as upward pressures on hourly wages remain high.

### IMPLICATIONS

The solid labour market will continue to support consumer spending growth and a rebound in the housing market. This will undoubtedly lessen the negative effects of the trade war in Canada in the next few quarters. Under these conditions, the odds of a key rate cut in the short term seem quite slim in our view.

### GRAPH 1

The labour market picked up steam in August



Sources: Statistics Canada et Desjardins, Economic Studies

### GRAPH 2

Wage growth remains high despite a slight decline in August



Sources: Statistics Canada et Desjardins, Economic Studies

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