



UNITED STATES

More solid growth by employment

HIGHLIGHTS

- The establishment survey indicates that there were 203,000 net hires in November, after adding 200,000 jobs in October.
- The private sector created 196,000 jobs, following 214,000 new hires in October. Public employment added 7,000 jobs.
- The construction sector created 17,000 jobs and the manufacturing sector was up 27,000 jobs.
- Private sector services created 152,000 jobs, a lower figure than the 183,000 added in the previous month. At 22,300 new jobs, the pace among retailers was slower than the recent trend. There were 35,000 new workers in the professional services sector while the financial services sector saw a loss of 3,000.
- The jobless rate fell from 7.3% to 7.0%. Data from the household survey are still showing extreme volatility caused by the budget impasse. According to the survey, 818,000 jobs were added from the 735,000 jobs lost in October. After a sharp contraction of 720,000 people, the labour force jumped 455,000.

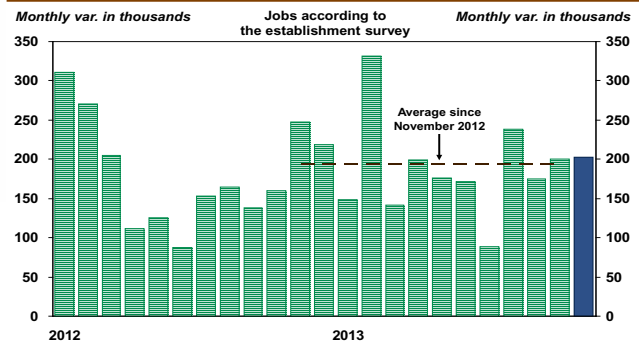
COMMENTS

November's results solidify October's good news. Job creation continues its recent positive trend: the creation of 203,000 jobs is even a little faster than the 194,750 average for the previous 12 months. There also haven't been any major revisions: September's hires were increased from 12,000 to 175,000 and October's were lowered by 4,000.

There have been 2,074,000 jobs created so far in 2013. Since bottoming out in February 2010, 7,445,000 jobs have been added. To reach pre-recession levels, another 1,291,000 jobs need to be added—this should occur before mid-2014.

In November, the manufacturing sector recorded its strongest monthly job growth since April 2012. These results reflect the strong performance of the ISM manufacturing index. In fact, we note a strong acceleration in employment within goods production, which made up for some weakness in the

Job creation in tune with current trends



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

private services sector where the 152,000 jobs added were disappointing compared to the recent trend. The slower pace among retailers was expected, as hires have been very strong in recent months.

The jobless rate's drop to its lowest level since November 2008 brings it closer to the thresholds set by the Federal Reserve (Fed). The major fluctuations in the labour force and employment reported by the household survey call for some caution. The employment to population ratio also remains extremely weak, and is even lower than where it was this time last year. The median duration of unemployment also increased in November.

Implications: Job creation remains relatively strong and the jobless rate has dipped to its lowest level in five years. However, there are still grey areas in the results which should prompt the Fed to wait a little longer before announcing any winding down of its securities purchases.

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