

## ECONOMIC NEWS

# Canada: The Labour Market Remains Extremely Robust

### HIGHLIGHTS

- ▶ According to the *Labour Force Survey*, September ended with 53,700 jobs created. This result solidly outstripped expectations.
- ▶ Employment was up in 12 of the 16 main sectors. The accommodation and food services industry stood out, with 23,300 new jobs. Conversely, the information, culture and recreation sector lost 36,700 jobs.
- ▶ Employment at the provincial level advanced everywhere except in New Brunswick, Manitoba, and British Columbia. The latter just recorded the fourth monthly job decline in a row.
- ▶ For Canada as a whole, the unemployment rate dropped from 5.7% to 5.5%.

### COMMENTS

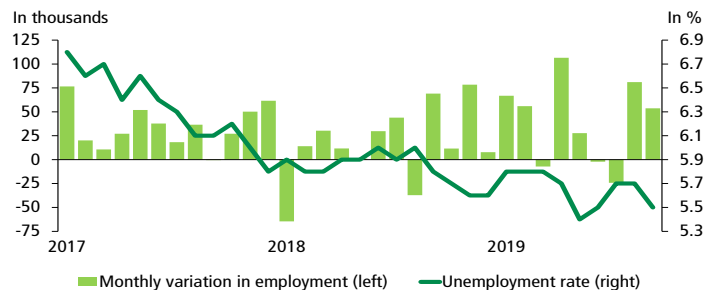
With the creation of 81,100 jobs in August, the labour market benefited from a total increase of 134,800 jobs in the last two months. Once again, this is an outstanding result for the Canadian labour market. Consequently, the employment trend based on the 6-month moving average is now at 40,400, which is an extremely high level.

With an unemployment rate near its historic low (5.4% in May 2019), the upward pressure on wages seems to be ramping up. For example, the annual variation in the median hourly wage climbed to 4.6% in September, the highest increase since early 2009.

### IMPLICATIONS

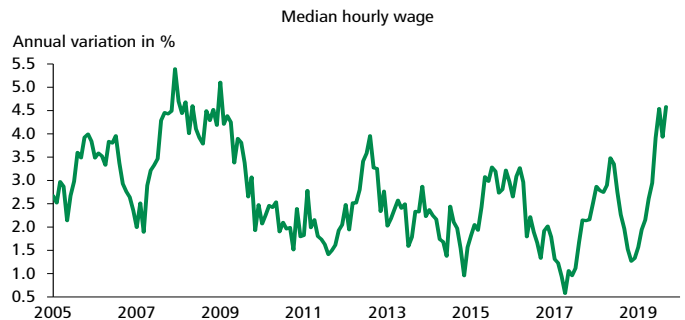
Given the robustness of the labour market and the increasingly intense upward pressure on wages, it will be difficult for the Bank of Canada to lower its key rates as other central banks

**GRAPH 1**  
More strong job creation in September



Sources: Statistics Canada and Desjardins, Economic Studies

**GRAPH 2**  
Median hourly wage growth has reached its highest level since 2009



Sources: Statistics Canada and Desjardins, Economic Studies

around the world, including the Federal Reserve, are doing. Therefore, there is every indication that key rates in Canada will remain unchanged in the coming quarters.

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