

ECONOMIC NEWS

United States: Another Month of Stronger Hiring

HIGHLIGHTS

- ▶ The establishment survey shows that 273,000 new jobs were created in February following a similar increase in January (revised from 225,000).
- ▶ Manufacturing gained 15,000 jobs after shedding 20,000 in January. Construction gained 42,000 jobs.
- ▶ There were 167,000 net hires in private sector services, down slightly from the 195,000 new jobs recorded in January. Retail lost 7,000 jobs after shedding 5,800 in January. The food services industry posted 52,600 hires, its strongest showing since October 2017. The health and education sector came up with 51,000 new hires. Professional services welcomed 41,000 new hires, while financial services added 26,000. The public sector made 45,000 hires.
- ▶ The unemployment rate fell slightly from 3.6% in January to 3.5% in February, a level not seen since last November and December.
- ▶ The average hourly wage in the private sector rose 0.3% in February following a 0.2% increase in January. The annual variation went from 3.1% to 3.0%.

COMMENTS

Job creation remained surprisingly high in February as it amply exceeded consensus expectations, set at 175,000, for the second month in a row. It's also the first time since the summer of 2016 that monthly gains exceeded 250,000 for two consecutive months.

This extremely strong performance on the part of employment stands in stark contrast to market sentiment, which focused more on the news surrounding the coronavirus. In addition, it's harder to reconcile the current strength of the job market with the fact that the Federal Reserve's (Fed) leaders opted to drop their key rates in a surprise move three days ago.

GRAPH

Two consecutive months of more than 250,000 hires for the first time since 2016

