

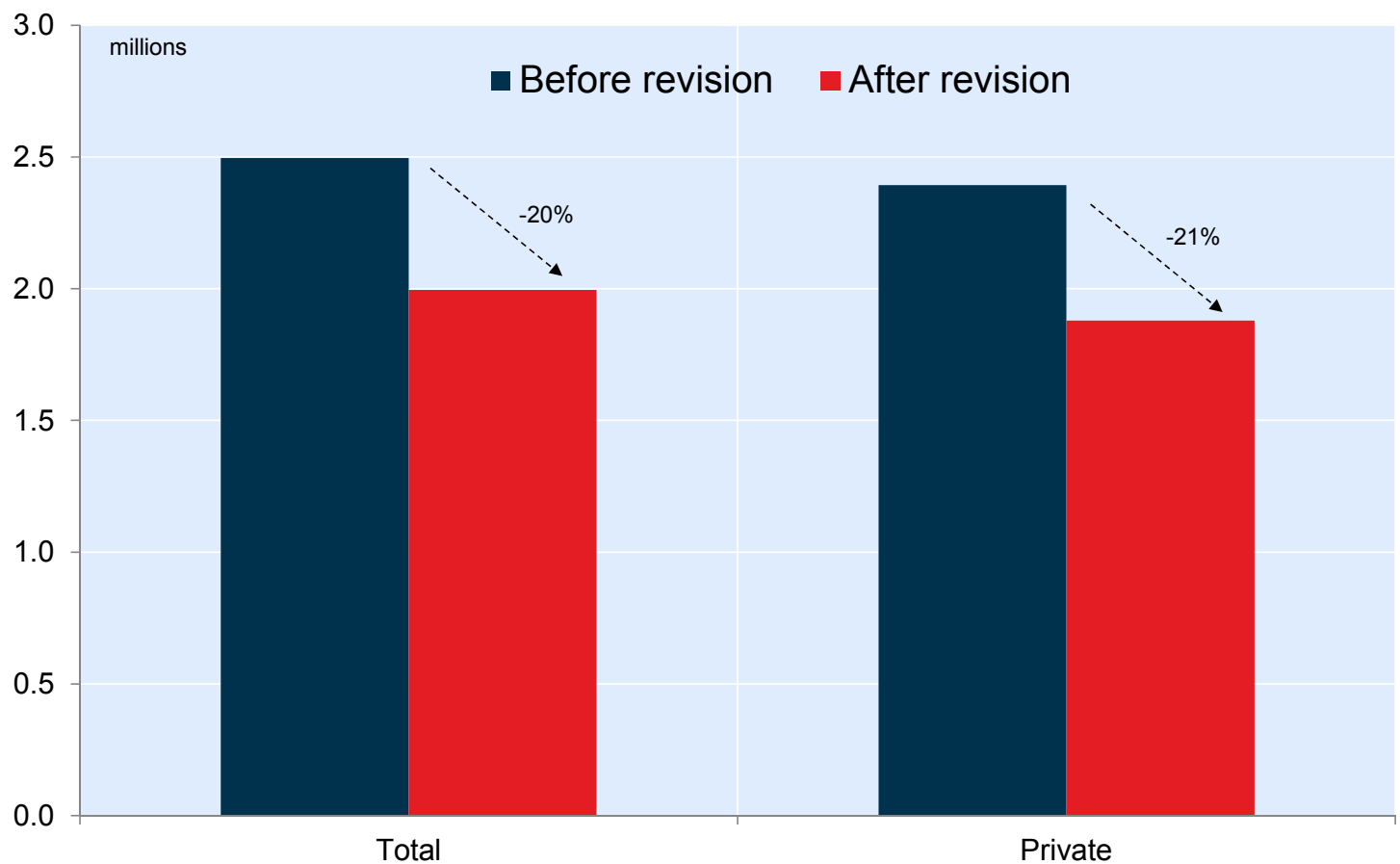
## U.S. Watch

By Krishen Rangasamy

The U.S. labour market is strong, but less so than previously thought. We'll get new revised series in February 2020, but yesterday's benchmark revisions by the Bureau of Labor Statistics suggested non-farm payrolls last March were 501K lower than earlier estimates. As today's *Hot Chart* shows, this means just under 2 million net new jobs were created in the twelve months to March 2019, 20% lower than the previous estimate. The downgrade to private sector job creation was slightly larger in percentage terms. Will the downgrades cause a change of stance at the Federal Reserve? FOMC doves could make the case that because job growth was slower, there's more slack in the labour market than first thought. Hawks, in contrast, could say that even the lower 166K/month pace of job creation in the 12 months to March is more than enough to absorb new entrants in the labour force. They could also point to rising wage inflation to support the notion that those downgrades don't change the overall picture of a tight labour market.

### U.S.: Employment creation downgraded

Non-farm payrolls increase over period April 2018-March 2019



NBF Economics and Strategy (data via U.S. Bureau of Labor Statistics)



## Economics and Strategy

### Montreal Office

514-879-2529

#### Stéfane Marion

Chief Economist and Strategist  
stefane.marion@nbc.ca

#### Matthieu Arseneau

Deputy Chief Economist  
matthieu.arseneau@nbc.ca

#### Krishen Rangasamy

Senior Economist  
krishen.rangasamy@nbc.ca

#### Paul-André Pinsonneault

Senior Fixed Income Economist  
paulandre.pinsonneault@nbc.ca

#### Marc Pinsonneault

Senior Economist  
marc.pinsonneault@nbc.ca

#### Kyle Dahms

Economist  
kyle.dahms@nbc.ca

#### Jocelyn Paquet

Economist  
jocelyn.paquet@nbc.ca

#### Angelo Katsoras

Geopolitical Analyst  
angelo.katsoras@nbc.ca

### Toronto Office

416-869-8598

#### Warren Lovely

MD & Head of Public Sector Strategy  
warren.lovely@nbc.ca

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