

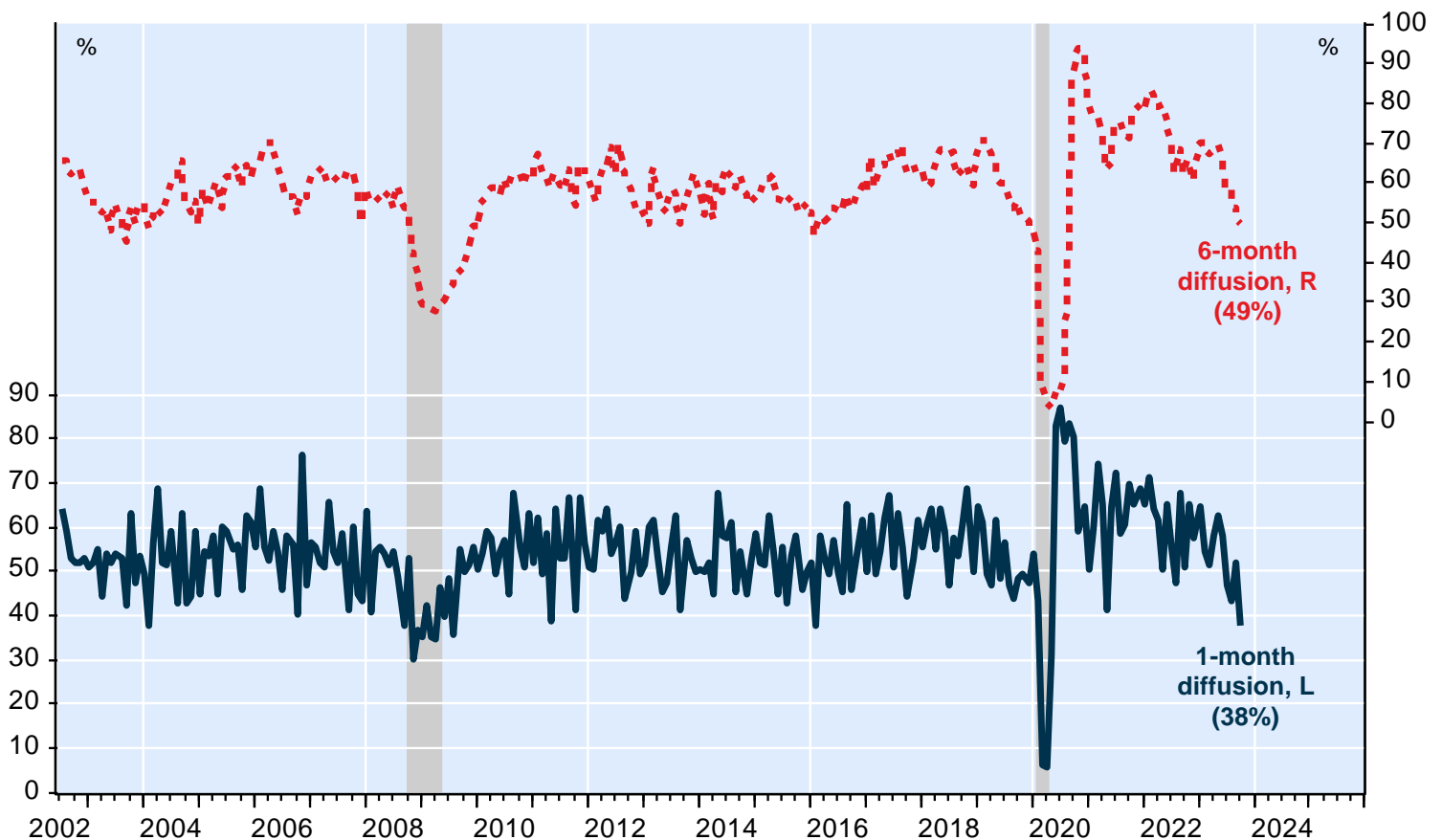
Canada Watch

By Matthieu Arseneau and Alexandra Ducharme

Yesterday, Statistics Canada released October's employment data based on the establishment survey (SEPH). This survey attracts less attention than in the U.S. due to the longer lead time for disclosure compared with the household survey (LFS), which also includes self-employed and agricultural workers. However, it does provide a further indication of the state of the labour market. October SEPH's data showed a monthly contraction of 44K salaried jobs, the biggest decline in 7 months. Of the 20 main industries, only four showed increases, including two government-related sectors: Public Administration and Health Care & Social Assistance. To get a better idea of the extent of the industrial weakness, we built diffusion indices taking into account 280 sectors. As today's Hot chart shows, only 38% of these industries were up in October and less than half posted an increase over six months, reflecting the generalized nature of the weakness. In light of SEPH's data, the weakness in Canada's labour market, corroborated by the rise in the unemployment rate, is widespread across the economy.

Canada: Poor diffusion in job creation

Share of companies registering positive employment growth over the past 1 and 6 months



NBF Economics and Strategy (data via Statistics Canada)

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