

Jobs Growth Surge 24.86%, Fed Rate Cuts Delayed and Global Markets React.

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The U.S. and European stock markets closed the week with mixed results, with Wall Street surprised with the stronger-than-expected jobs growth that may push back rate cut expectations; we discuss the data in detail.

The U.S. Nonfarm payroll rose 24.86% to 216,000 last month, evidencing that the jobs market is maintaining its resiliency much better than anticipated, which translates to the probable scenario that the Fed may push back its rate cut pivot until later in the year.

The report shows that more than 50% of the job growth came from education & health services and leisure & hospitality. The unemployment rate remained at 3.7%, but that may have been because of the decline in labor force participation, which fell to its lowest since February 2023.

Inflation and earnings are in focus next week. The December CPI is the highlight of the U.S. economic calendar next week. Inflation Nowcasting forecasts a CPI of 3.32% and a Core CPI of 3.93% for December 2023.

Investor attention will also turn to corporate earnings as several big banks kick off the fourth-quarter corporate earnings parade on Friday.

GDPNow Update:

- The GDPNow was updated today and rose to 2.50% GDP, up from 2.00% GDP, a 25.00% increase.

Key Economic Data:

- **U.S. Nonfarm Payrolls MoM:** rose to 216,000, up from 173,000 last month, increasing 24.86%.
- **U.S. Unemployment Rate:** is unchanged at 3.70%, compared to 3.70% last month.
- **U.S. Labor Force Participation Rate:** fell to 62.50%, compared to 62.80% last month, and is lower than the long-term average of 62.84%.
- **U.S. Average Hourly Earnings YoY:** rose to 4.10%, compared to 4.02% last month.
- **U.S. Recession Probability:** rose to 51.84%, compared to 46.11% last month.
- **U.S. Durable Goods New Orders MoM:** rose to 5.36%, compared to -5.13% last month.
- **Canada Employment Net Change:** fell to 0.10, down from 24,900 last month, decreasing -99.60%.
- **Canada Unemployment Rate:** is unchanged at 5.80%, compared to 5.80% last month.
- **Canada Labour Force Participation Rate:** fell to 65.40%, compared to 65.60% last month.
- **Canada Ivey PMI:** rose to 56.30, up from 54.70 last month, increasing 2.93%.
- **Germany Real Retail Sales YoY:** fell -2.00%, compared to 0.20% last month.

Eurozone Summary:

- Stoxx 600 closed at 476.38, down 1.30 points or 0.27%.
- FTSE 100 closed at 7,689.31, down 33.46 points or 0.43%.
- Dax Index closed at 16,594.21, down 23.08 points or 0.14%.

Wall Street Summary:

- Dow Jones Industrial Average closed at 37,466.11, up 25.77 points or 0.07%
- S&P 500 closed at 4,697.24, up 8.56 points or 0.18%.
- Nasdaq Composite closed at 14,524.07, up 13.77 points or 0.09%.
- Birling Capital Puerto Rico Stock Index closed at 3,255.77, down 69.44 points or 2.09%.
- Birling Capital U.S. Bank Stock Index closed at 4,366.27, down 40.07 points or 0.91%.
- U.S. Treasury 10-year note closed at 4.05%.
- U.S. Treasury 2-year note market closed at 4.



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US Nonfarm Payrolls, US Unemployment Rate & US Labor Force Participation Rate



Canada Employment Net Change, Canada Unemployment Rate, Canada Labour Participation Rate, Canada Ivey PMI & Germany Retail Sales YoY



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