

# Economic Alert iQ



Friday 02<sup>nd</sup> October 2015 – 11:05am

International

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## U.S. jobs report signals slowdown

- Payrolls rose less than projected in September, wages stagnated and the jobless rate was unchanged, signaling the global slowdown and financial-market turmoil are rippling through the world's largest economy.
- The addition of 142,000 jobs in September followed an upward revision from 136,000 but was still lower than the median Bloomberg forecast of 201,000, vindicating the Federal Reserve's decision to delay an interest rate increase last month.
- Due to this report the future market now assigns a 28% chance to a fed fund rate increase in 2015. Before the jobs report, the probability stood at 46%.
- The yield on U.S 10-year Treasuries sank past 2%, while the S&P 500 Index erased yesterday's gains falling 1.2% whereas the Stoxx Europe 600 Index fell by a relatively marginal 0.72% as seen in Chart 1
- Cooling overseas markets, a stronger dollar and lower oil prices are hampering exports markets, therefore U.S. manufacturers are **not** likely to take on more staff.
- The unemployment rate was stable at 5.1%, but it held this level because the labor force shrank. The unemployment level fell 114,000, but this was only due to the fact the labor force declined by an even faster pace (-350,000)



Source : Bloomberg

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