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International

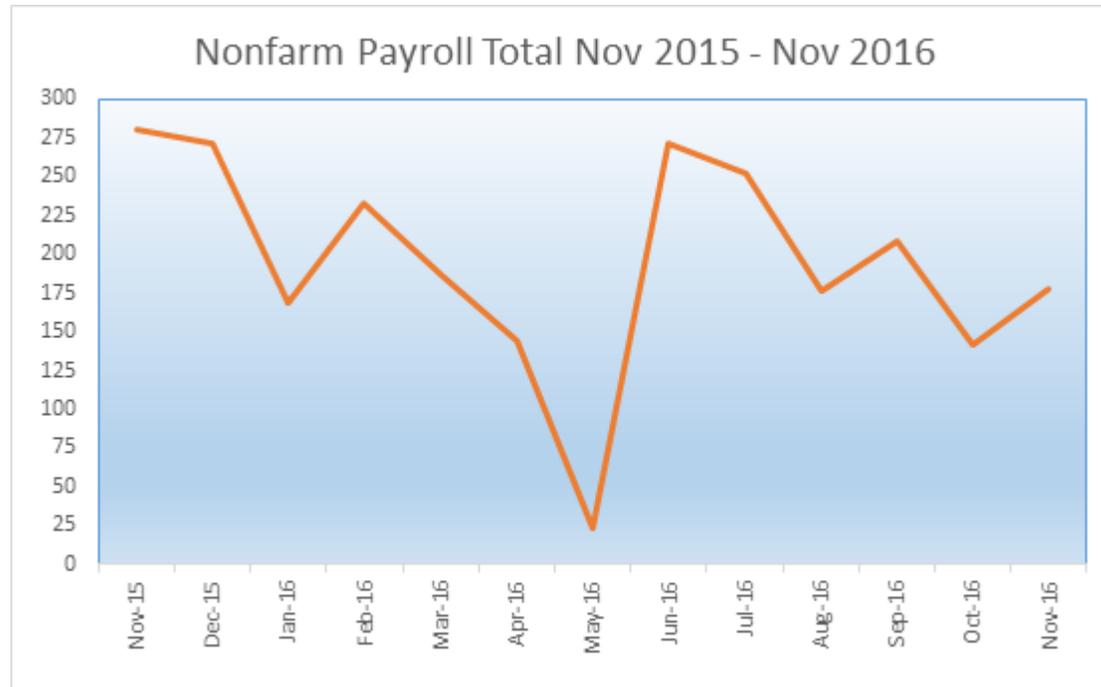
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Economic Alert: Payrolls in U.S. Rise as Jobless Rate Falls to Nine-Year Low

- U.S. hiring picked up in November, while the unemployment rate tumbled to a nine-year low on a drop in the number of people in the workforce and wages unexpectedly declined, providing a mixed picture of the labor market.
- The 178,000 gain followed a 142,000 rise in October that was less than previously estimated.
- The median forecast in a Bloomberg survey called for an 180,000 advance. The jobless rate fell 0.3 percentage point to 4.6 percent as labor participation dropped for a second month.
- A steady job market signals employers were willing to keep hiring in the days before and after the Nov. 8 presidential election. At the same time, while the Federal Reserve is almost certain to raise borrowing costs this month, sustained weakness in wages or participation would weigh on the economic outlook.
- November payroll estimates ranged from gains of 140,000 to 250,000. October was initially reported as a 161,000 increase.
- Even with the tight labor market, the news on wages was disappointing. Average hourly earnings fell by 0.1 percent from the prior month to \$25.89, the first decline since December 2014. They climbed 2.5 percent over the 12 months ended in November, following a 2.8 percent year-over-year gain in October.
- The participation rate, which shows the share of working-age people in the labor force, decreased to 62.7 percent last month from 62.8 percent. It has been hovering near the lowest level since 1978, with the longer-term slide mainly due to retiring baby boomers.
- The underemployment rate -- which includes part-time workers who'd prefer a full-time position and people who want to work but have given up looking -- fell 0.2 percentage point to 9.3 percent. While that's the lowest since April 2008, it compares with 8.4 percent in November 2007, the month before the last recession began.
- Companies continue to add jobs at a steady clip. Private employment, which excludes government agencies, rose by 156,000 after a 135,000 increase the prior month.

- Government payrolls rose by 22,000, with employment at state and local agencies up 19,000.
- The report showed differences across industries. Service providers, which include restaurants, business services and health-care, are typically less exposed to headwinds -- such as tepid overseas markets -- than manufacturers.



Source: Bloomberg, FCIS Research & Analytics



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