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International

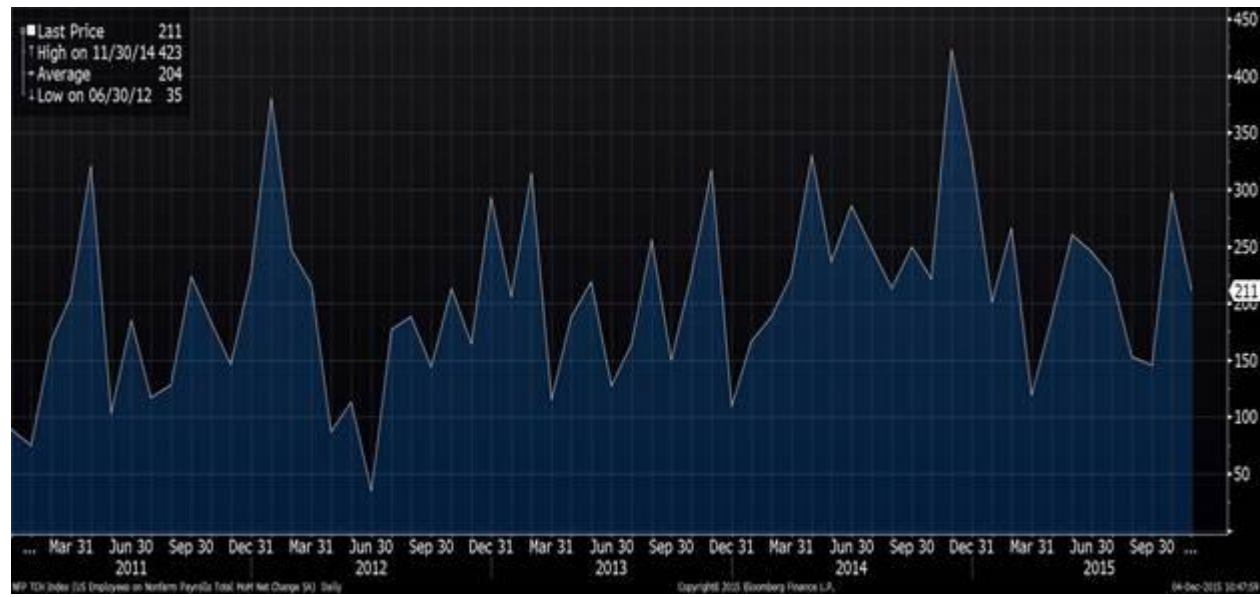
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Robust jobs report may trigger Fed rate increase.

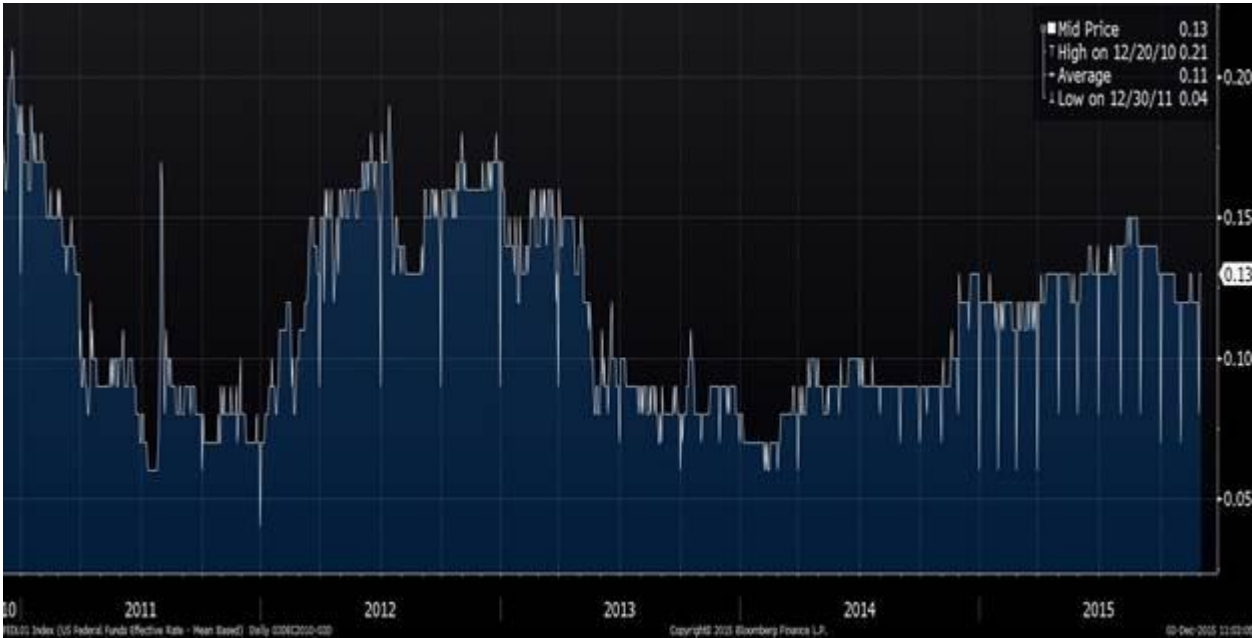
- A vast majority of economists and stock market watchers anticipate that the Fed will raise rates from about 0% to 0.25% in December.
- The implied probability of the Fed fund rate moving on 17 December stands at 76.0%, according to Bloomberg.
- Fed chair Janet Yellen affirmed that both economic and financial information received since October's meeting has met expectations in the labor market, however Yellen stressed that the Fed will move slowly and cautiously in 2016.
- One major impediment that may have hampered the Fed rate hike was a bad jobs report but the November jobs report was strong enough to remove any concern that the economic data would give the Fed reason to delay liftoff.
- The non-farm payroll grew by 211,000, slightly stronger than the monthly average growth of 206,000 jobs for the year and much stronger than 200,000 economists estimated for November.
- Benchmark 10-year Treasury yields (USGG10YR) hit 2.36% and are now down 6bp to 2.30%, with some traders pointing to the meek wage growth data indicating the Fed can tighten policy at a slow pace.
- The Dollar Index Spot (DXY) improve by 60 bps to 98.22 edging closer to a high of 98.46.

5-year nonfarm payroll total MoM net change



Source : Bloomberg

5- year Federal Funds Effective Rate Index



Source : Bloomberg

U.S. 10-yr treasury yield and S&P 500 Index



Source : Bloomberg

Current U.S. Economic Condition												
Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Consumer Prices												
Consumer Price Index (yoy %)	0.8	-0.1	0	-0.1	-0.2	0	0.1	0.2	0.2	0	0.2	
CPI ex-Food & Energy (yoy %)	1.6	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.9	1.9	
PCE Price Index (yoy %)	0.8	0.2	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	
Core PCE Index (yoy %)	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	
Consumer Price Index (mom %)	-0.3	-0.7	0.2	0.2	0.1	0.4	0.3	0.1	-0.1	-0.2	0.2	
CPI ex-Food & Energy (mom %)	0.1	0.2	0.2	0.2	0.3	0.1	0.2	0.1	0.1	0.2	0.2	
Producer Prices												
PPI Final Demand (mom%, sa)	-0.3	-0.7	-0.4	0	-0.1	0.5	0.4	0	0	-0.5	-0.4	
PPI Final Demand ex Foods & Energy (mom%)	0.2	0	-0.4	0	0.2	0	0.3	0.1	0.3	-0.3	-0.3	
PPI Final Demand (yoy%)	1.1	0	-0.6	-0.8	-1.3	-1.1	-0.7	-0.8	-0.8	-1.1	-1.6	
PPI Final Demand ex Foods & Energy (yoy%)	2.1	1.6	1	0.9	0.8	0.6	1.1	0.6	0.9	0.8	0.1	
Labor Market												
Unemployment Rate (%)	5.6	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1	5.1	5	5
U6 Underemployment Rate (%)	11.2	11.3	11	10.9	10.8	10.8	10.5	10.4	10.3	10	9.8	9.9
Initial Jobless Claims (weekly)	293	284	327	267	262	277	282	269	281	276	276	269
Continuing Claims (weekly)	2431	2346	2414	2308	2229	2272	2327	2278	2263	2209	2177	2161
Chg. in NonFarm Payrolls (mom, 000s)	329	201	266	119	187	260	245	223	153	145	298	211

Chg. in Private Payrolls (mom, 000s)	319	202	261	117	189	252	218	195	125	165	304	197
Chg. in Mfg. Payrolls (mom, 000s)	19	17	3	6	0	6	1	11	-19	-8	1	-1
Average Weekly Hours All Private Employees	34.6	34.6	34.6	34.5	34.5	34.5	34.5	34.6	34.6	34.5	34.6	34.5
Average Weekly Hours Non-Farm Private Employees	33.8	33.7	33.8	33.7	33.6	33.6	33.7	33.7	33.7	33.6	33.7	33.7
Total Employment in Labor Force (mn)	147.4	148.2	148.3	148.3	148.5	148.8	148.7	148.8	149	148.8	149.1	149.4
Net Change in Total Employment in Labor Force (000s)	111	759	96	34	192	272	-56	101	196	-236	320	244

Source: Bloomberg

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