

Economic highlights from the week ending on January 5, 2018



U.S. payrolls rose by 148,000 in December, below the consensus forecast of 191,000 but still enough to absorb new entrants into the labor market. October and November payrolls were revised down by a net total of 9,000. Nevertheless, on a trailing 3-month and 6-month basis, payrolls increased by an average of 204,000 and 166,000 per month, respectively. The unemployment rate and the labor participation rate were unchanged in December at 4.1% and 62.7%, respectively. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, edged up to 8.1% in December from 8.0% in November and 7.9% in October. Wages rose 0.3% in December, following a downwardly revised 0.1% increase in November. Wages were up 2.5% on a year-over-year basis in December, in line with expectations. Overall, the December employment report was favorable, especially considering that the labor market has been at or near full employment for several months. However, given the slight uptick in the U-6 and only modest growth in wages, the Fed is likely to keep monetary policy on hold when they meet later this month.



Next Week

Consumer Credit, PPI, CPI, Retail Sales

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