

April 8, 2024 – Economic Commentary

What a number! The 303,000 net new jobs created in March, per last Friday's announcement by the Bureau of Labor Statistics, was well above analyst expectations and conclusive proof that the US isn't anywhere near a recession. The Atlanta Fed GDPNow estimate of first quarter GDP was 2.5% before the employment numbers were released; it likely may go a bit higher this week. Despite the big increase in jobs created, wage growth remained a solid, manageable 4.1% (annualized), driving home the point that there is apparently a lot more capacity in US labor markets than once thought. Notably, the labor force participation rate continues to rise. A large proportion of the new jobs have been created in sectors like travel, leisure, and hospitality, where the lack of adequate staffing over the last two years has been remarked upon by many.

Interestingly, the employment numbers have appeared to flip the script for central bankers. The US Federal Reserve may now lower interest rates somewhat later in the year while the European Central Bank (ECB) moves rates down first. European inflation has more conclusively fallen in recent months, and economic growth in the EuroZone is modest to non-existent, though stronger in the southern regions. The impact of such a move by the ECB, in advance of the Fed, will also affect the value of the Euro, further assisting European exports and economic growth. Crucial information on how this will play out comes this week, with the US Consumer Price Index and Producer Price Index for March; EuroZone March inflation will be next week.

Data to Watch:

1. US Consumer Price Index for March, released Wednesday, April 10
2. US Producer Price Index for March, released Thursday, April 11
3. ECB Survey of Professional Forecasters, released Friday, April 12

Suggested Reading:

1. [The billionaires join Bernie Sanders in weighing in on four-day workweek. Here's what CEOs who actually made the move say](#)
2. [China Shock 2.0 Sparks Global Backlash Against Flood of Cheap Good](#)
3. [Who Will Pay for the Baltimore Bridge Collapse?](#)

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