

## 175,000 JOBS ADDED WHILE U.S. UNEMPLOYMENT ROSE TO 6.7%



As the U.S. saw the bitter cold and snowstorms come to an end in February, employers begin to add jobs, suggesting that the labor market resilience should prompt the Federal Reserve to push forward with the rolling back of the bond-buying program.

On Friday, the Labor Department said that nonfarm payrolls increased in February to an adjusted 175,000 showing a partial, but clear rebound from a long stretch of sluggish job growth. Job additions have showed that more have been added over recent months than previous estimates revealed. In January 2014, there were payroll **increases of 129,000 jobs up** from the former estimates of 75,000, 84,000, and 113,000. But while more of the U.S. Labor Force grew, the national unemployment rate increased up to 6.7% during the month of February, up from the January 6.6 percentage.

Julia Coronado, North American chief economist for BNP Paribas said that Friday's reports give hints of normalization returning to a moderate trend in the overall U.S. labor market. Dow Jones Newswires surveyed economists and returned with projections in payrolls of increases to 152,000 in February, while the estimates also predicted that unemployment would fall back down a few ticks, to 6.5%.

Prior to the winter job slump, there was much stronger job growth. It was in December that the Fed began to scale back on their bond-buying program in efforts to stimulate the economy by way of lowering the costs for borrowers. But the weakened job growth has raised speculation that the Fed may decide to change their course of action with the roll back on its bond-buying program. Ian Shepherdson, Chief Economist at Pantheon Macroeconomists said in memos to clients that the Friday report on jobs was enough for the Fed to keep tapering the program. William Dudley, Federal Reserve Bank NY President said on Thursday that there is a pretty high chance the Fed may change course.

Much of the mixed job and economic data has been laid to blame on the harsh winter weather seen across the majority of the United States. It is also possible that Friday's jobs report was also distorted from the weather. Janet Yellow said last week to lawmakers that it is hard to tell for sure if the U.S. economy is just slowing down or if the severe weather is the culprit of the numbers and slow job growth. The construction sector of the economy shows **15,000 added jobs in February** in addition to the 50,000 positions added in January. In the manufacturing sector, there were over 6,000 added jobs last month. **More than 25,000 jobs** were added in the hospitality and leisure sector.

Millan Mulraine, TD Securities economist stated that the main takeaway from Friday's report is that the U.S. economy momentum remains optimistic, even with the severe winter weather conditions across the country.