

## GOOD NEWS FROM TREASURIES ABOUT EMPLOYMENT?



There has been news of upbeat employment data around the treasuries. News has reported that bond prices have their worst days behind them and the day keeps getting better. The benchmark note which is noted every ten years is showing that it's up 3.9 basis points which are also noted as 2.04 percent. The ten-year yield is good news because over the past three sessions it fell almost 40 base points. The percentage showed an increase to a high of 2.395 percent which is a lot better than the previous 2.063 percent. Payroll processor ADP shows a bigger increase in employment from the private sector. Bond traders really had a lot to say about the report from ADP. Why did this report cause such a raucous? Overtime economists thought that employment would increase by 100,000 jobs a month but instead only around 91,000 jobs are being reported. However, the ADP report stated that employment rose by 110,000 jobs in October and 116,000 jobs in September. This is great news for the economy but it was still unexpected by economists. Economists are so used to making predictions that surpass what really happens. Instead, the economists actually were low on the guessing in when it came to guessing how many jobs would be created over the last few months. No one is complaining about the job growth and perhaps this means the economy is turning around in the future with the whole global job market crisis. Only time will tell if this was a fluke or a continued pattern. Even though this is great news and totally unexpected, it should be known that private sector employment is not increasing at a very fast rate. Actually, private employment is one of the lowest at creating jobs in this whole global job crisis. The private sector employment is also not keeping pace with the public sector employment rates. "A separate report from global outplacement firm Challenger, Gray & Christmas showed a sharp drop in the number of planned job cuts announced by U.S.-based employers in October." With all of this news, traders are looking forward to the Federal Reserve's policy meeting. This meeting is supposed to cover the latest on monetary news. The Fed was supposed to release this information sometime yesterday and Chairman Ben Bernanke also released his press conference. Although the above is big news in the bonds department, there is still more to come. The Treasury Department is having an action to get rid of three-year, ten-year and thirty-year bonds. "The Treasury said it plans to sell \$32 billion worth of three-year notes next Tuesday, \$24 billion worth of ten-year notes next Wednesday, and \$16 billion worth of thirty-year bonds next Thursday." This is great news for those who want to purchase large amounts of bonds from the United States Treasury.