

## NEW US EMPLOYMENT NEWS, AND BUSINESSES BEAT THE FORECAST



In November, companies boosted payrolls by the most this year, and US businesses expanded at the fastest pace in almost seven months, giving the economy a much needed lift as 2011 draws to a close. According to data from Wednesday, Roseland, New Jersey-based ADP Employer Services, the private employment, which excludes government jobs, climbed 206,000 this month. The Institute for Supply Management-Chicago Inc.'s business barometer increased up to 62.6 in the month of November from a previous 58.4 in the prior month as orders and production strengthened. "Things are shifting in the right direction for a faster pace of growth next year," Carl Riccadonna, who is a senior U.S. economist at Deutsche Bank Securities Inc. in New York, said. "New orders are rising, production is increasing and employment will likely improve." In addition, "central banks are taking the right steps," said Riccadonna. Stocks soared as six central banks, including the Federal Reserve, acted to make more funds available to lenders to keep the global expansion in the wake of Europe's sovereign debt crisis. A second report showed the biggest gain in home-purchase contract signings, in a year, added to the evidence that the world's largest economy is withstanding the European slowdown. At 2:14 pm in New York, the Standard & Poor's 500 Index (SPX) climbed 3.2 percent to 1,233.9. On Wednesday, the yield on the benchmark 10-year Treasury note rose to 2.07 percent from 1.99. According to the median projection in a Bloomberg News survey, economists project the Labor Department to report in two days that private employment rose 150,000 in the month of November. Today, the Fed said that the economy expanded at a "moderate" pace in 11 of its 12 districts, led by gains in manufacturing and consumer spending. The report also reinforces the central bank's view that the economy, while strong enough to skirt a recession, remains much too weak to bring down an unemployment rate stuck near 9 percent or higher for more than two years. According to the minutes, at their last meeting on November 1-2, some Fed policy makers said the central bank should consider easier policy further. Last month's initial ADP figures showed a 110,000 gain, while the Labor Department's data showed an increase of 104,000 in the private payrolls for October. The ADP revised the October figure today to a gain of 130,000. German unemployment dropped more than forecasted in November as companies' resilience to the euro area's debt woes showed no sign of cracking. The Nuremberg-based Federal Labor Agency said today that the number of people out of work fell a seasonally adjusted 20,000 to 2.91 million. The adjusted jobless rate fell to 6.9 percent. Companies in Europe's largest economy are adding workers even as the region is getting worse with the fiscal crisis clouds the growth prospects. Jim O'Neill, who is the chairman of Goldman Sachs Asset Management, said that the euro-area economy may already be in a recession, German businesses confidence rose in November and consumers also became more optimistic.

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