

NASDAQ FORECASTERS PREDICT JOB GROWTH



According to latest NASDAQ reports from forecasters the US Economy is set to witness better growth rates in 2012 and lower unemployment. The NABE survey found unemployment rate will lower and already witnessed as 8.1% in fourth quarter. The survey further predicted that federal funds rate would remain stable through 2013 and the GDP would grow by 2.4%. This would imply regular job creation, upward movement in the real estate sector and better business spending. The NABE panel is made up of 45 economists from all industry areas including banks, universities, large manufacturers, the government and other industry sectors. The latest NABE survey was done between January 26 and February 8. This came back-to-back with the announcement from Federal Reserve officials that due to slow economy they expected next-to-zero short-term interest rates for another three years. However, NABE economists said that long-term interest rates of federal funds will climb as markets begin to pick up tempo. NABE expected the unemployment rate to fall below 8% and hold steady at 7.6% by the end of 2013. Though the NABE reports say employment is set to grow, consumer spending would increase only cautiously by a meager 2.1%. The forecasters said inflation would remain in check through 2013. However, business spending is expected to rise 8.1% in 2012 and slope down to 7.3% in 2013. The survey said, "Respondents are less bullish on exports for 2012" and hence the economists lowered their growth expectations to 4.6% from a previous 6.1% growth forecast. The forecasters measured the federal budget deficit to be near \$1.109 trillion in 2012, but expected the deficit to reduce to \$876 billion by 2013. According to the projections the GDP growth being experienced by the country is more cyclical than structural. The economists expect housing to be a major driver of the economy and that new housing would reach 700,000 units in 2012 and 850,000 in 2013. According to the forecasters monthly job growth is expected to be average 170, 000 for the year. The U.S. economy has added an average of 151,667 jobs every month through 2011 and accelerated job creation. In January alone, 243,000 jobs were created while the average unemployment rate fell to 8.3%