

TREASURIES REMAIN LOW



The treasuries did not change much, along with the data that shows the United States has managed to add a total of over 100,000 jobs for the fourth month in a row. The employment report from the Labor Department shows that more than 100,000 jobs were added during the month of October. This employment report is the last report to be provided before the presidential election takes place on November 6th. The unemployment rate managed to increase slightly from 7.8 percent during the previous month to 7.9 percent. However, it is believed that the reason for the increase is because many people are entering back into the labor force after giving up back when the economy was at its worst and it was most difficult to find employment. Even with the slight increase, it is a known fact that the economy in the United States is improving, especially the labor market. The head of the fixed-income strategy for Credit Agricole Corporate & Investment Bank in London, Luca Jellinek, has said, "The market will need a big number to move, given other uncertainties including the upcoming election." She also said, "We expect economic recovery in the U.S. to be gradual." The number of individuals applying for jobless benefits in the United States actually managed to drop down last week by a total of 9,000 applicants. With the drop in the number of people applying for these benefits, the national total of individuals applying for jobless benefits was 363,000. The information on the number of people applying for such benefits was also provided by the Labor Department. A number of different companies added a total of 158,000 workers to the payroll during the month of October. The increase in jobs was much higher than originally forecasted by economists, which has caused a lot of optimism. In the meantime, President of the Federal Reserve Bank in Boston, Eric Rosengren, has said that the central bank should continue to purchase mortgage bonds for a period of time, up until the unemployment rate drops down to at least 7.25 percent. He also believes that the interest rate should be as close to zero as possible until the unemployment rate for the nation as a whole is at 6.5 percent or less. Rosengren said, "As long as inflation and inflation expectations are expected to remain well-behaved in the medium term, we should continue to forcefully pursue asset purchases." Just a week ago, the Federal Open Market Committee said that it is going to keep buying securities every month as a way to help lower unemployment rates.