

## Canadian Jobs Rise Again; Wage Growth Signals Mixed

### Canada, Net Change in Employment SA (m/m 000s) / UR (%), October:

Actual: 11.2 / 5.8

Scotia: 15 / 5.9

Consensus: 15 / 5.9

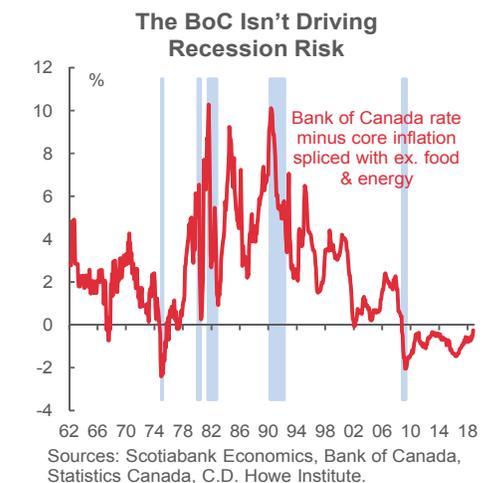
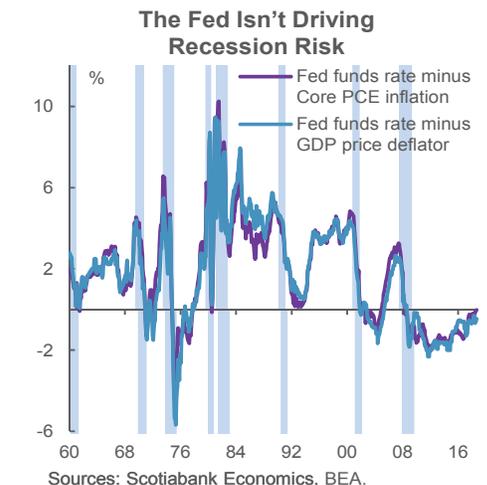
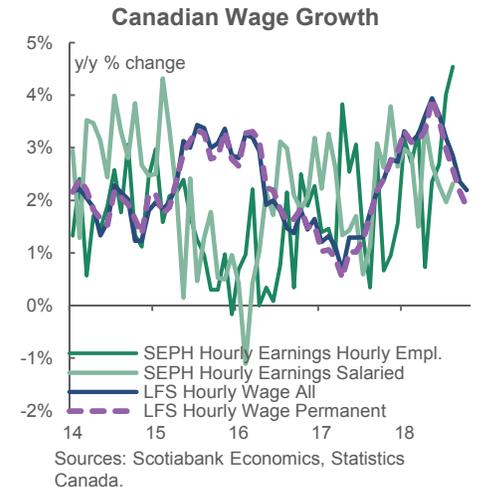
Prior: Unrevised from 63.3 / 5.9

- After a strong jobs report in September, October added to the momentum but wage growth went south. That said, this is not the wage figure that the BoC emphasizes as it only gets a trivial weight within the BoC's preferred wage common metric. The chart below plots the two wage measures from today's Labour Force Survey for October along with the two wage measures drawn from the SEPH payrolls survey. SEPH gets a dominant direct and indirect weight in wage common after adjustments; that survey's measure lags behind LFS but has been a bit more stable.
- The details behind the jobs figures were mixed. All of the rise was in full-time jobs (+33.9k) as the prior month's gain in part-time jobs reversed (-22.6k).
- Payroll employment fell 10,600 due to a 30,800 decline in public sector payroll employment that was only partly offset by a 20,300 jump in private sector payroll jobs. I missed the memo on big government layoffs I guess!
- Self-employed jobs were up 21,800 but this is often treated as soft data.
- By sector, services added 23.2k and goods producing sectors dropped 12k. Within services, the gains were focused upon business, building and other support (+22k), wholesale and retail trade (+19.3k) and health care and social assistance (+15.3k). Finance/insurance/real estate services dropped 14,500 jobs.
- By province, Quebec added 9k jobs and all other provinces were little changed.
- Hours worked were up 0.1% m/m after a four-tenths decline the prior month. After a decent 1.3% q/q SAAR rise in hours worked during Q3 over Q2, they are tracking a decline of just under 1% in Q4 but with two more months of data pending.
- I forgot to attach the real US policy rate chart with recession periods to the nonfarm payrolls note, so here it is alongside the similar chart for the BoC that makes the same point. Neither central bank is driving real rates to anywhere remotely close to what preceded past recessions.

### CONTACTS

Derek Holt, VP & Head of Capital Markets Economics  
416.863.7707

Scotiabank Economics  
derek.holt@scotiabank.com



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