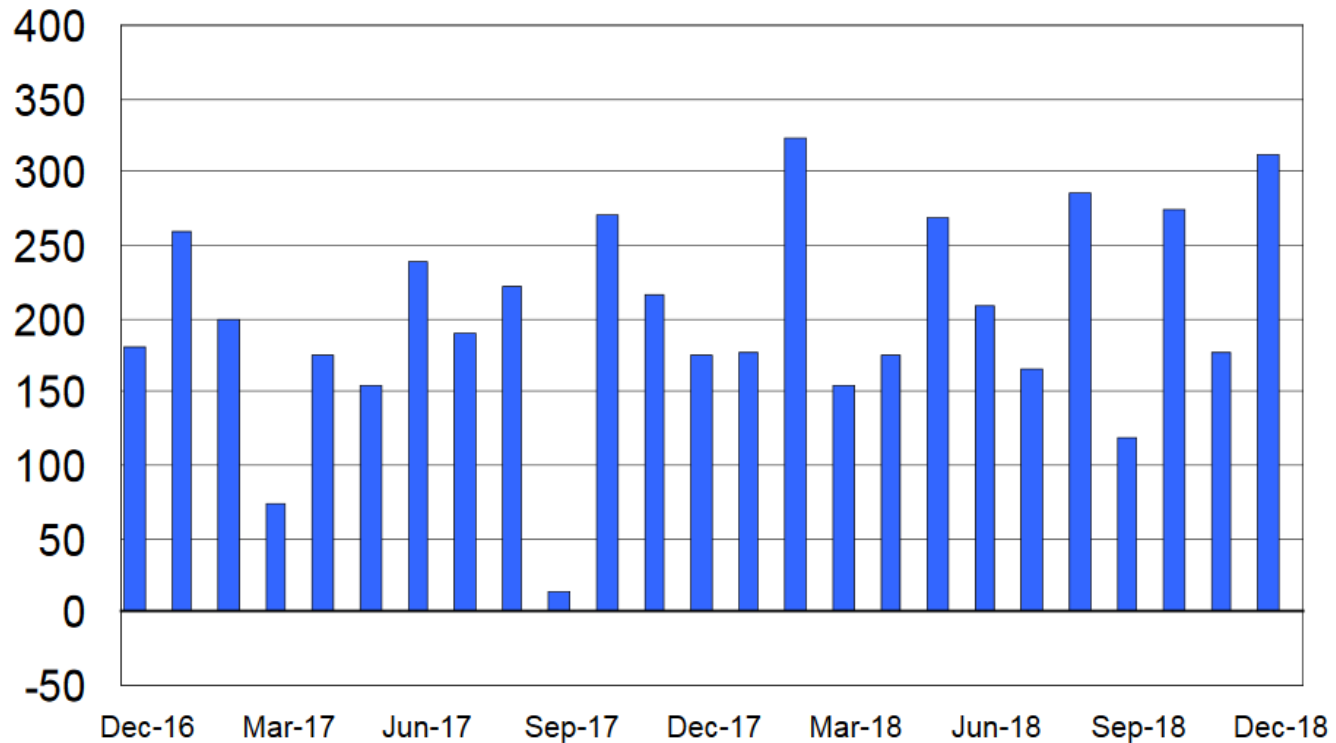


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Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, December 2016 – December 2018

Thousands



HOUSEHOLD DATA

Table A-15. Alternative measures of labor underutilization

[Percent]

Measure	Not seasonally adjusted			Seasonally adjusted					
	Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force.....	1.4	1.2	1.3	1.5	1.4	1.4	1.4	1.3	1.3
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force.....	2.1	1.6	1.8	2.0	1.8	1.7	1.8	1.7	1.8
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate).....	3.9	3.5	3.7	4.1	3.8	3.7	3.8	3.7	3.9
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers.....	4.2	3.7	3.9	4.4	4.1	3.9	4.1	4.0	4.1
U-5 Total unemployed, plus discouraged workers, plus all other persons marginally attached to the labor force, as a percent of the civilian labor force plus all persons marginally attached to the labor force.....	4.9	4.5	4.6	5.1	4.7	4.6	4.6	4.7	4.8
U-6 Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.....	8.0	7.2	7.5	8.1	7.4	7.5	7.5	7.6	7.6

ESTABLISHMENT DATA

Summary table B. Establishment data, seasonally adjusted

Category	Dec. 2017	Oct. 2018	Nov. 2018 ^P	Dec. 2018 ^P
EMPLOYMENT BY SELECTED INDUSTRY (Over-the-month change, in thousands)				
Total nonfarm.....	175	274	176	312
Total private.....	174	281	173	301
Goods-producing.....	82	64	27	74
Mining and logging.....	1	4	0	4
Construction.....	42	31	0	38
Manufacturing.....	39	29	27	32
Durable goods ¹	29	19	14	19
Motor vehicles and parts.....	2.5	6.2	-1.4	1.8
Nondurable goods.....	10	10	13	13
Private service-providing.....	92	217	146	227
Wholesale trade.....	8.6	5.6	9.3	8.4
Retail trade.....	-25.9	0.1	29.2	23.8
Transportation and warehousing.....	8.7	16.7	28.9	2.2
Utilities.....	-0.2	1.4	0.6	0.5
Information.....	-4	7	-5	-1
Financial activities.....	8	10	1	6
Professional and business services ¹	31	56	44	43
Temporary help services.....	-1.0	15.8	10.5	10.3
Education and health services ¹	30	44	21	82
Health care and social assistance.....	30.9	47.8	31.3	57.9
Leisure and hospitality.....	31	67	18	55
Other services.....	5	9	-1	8
Government.....	1	-7	3	11

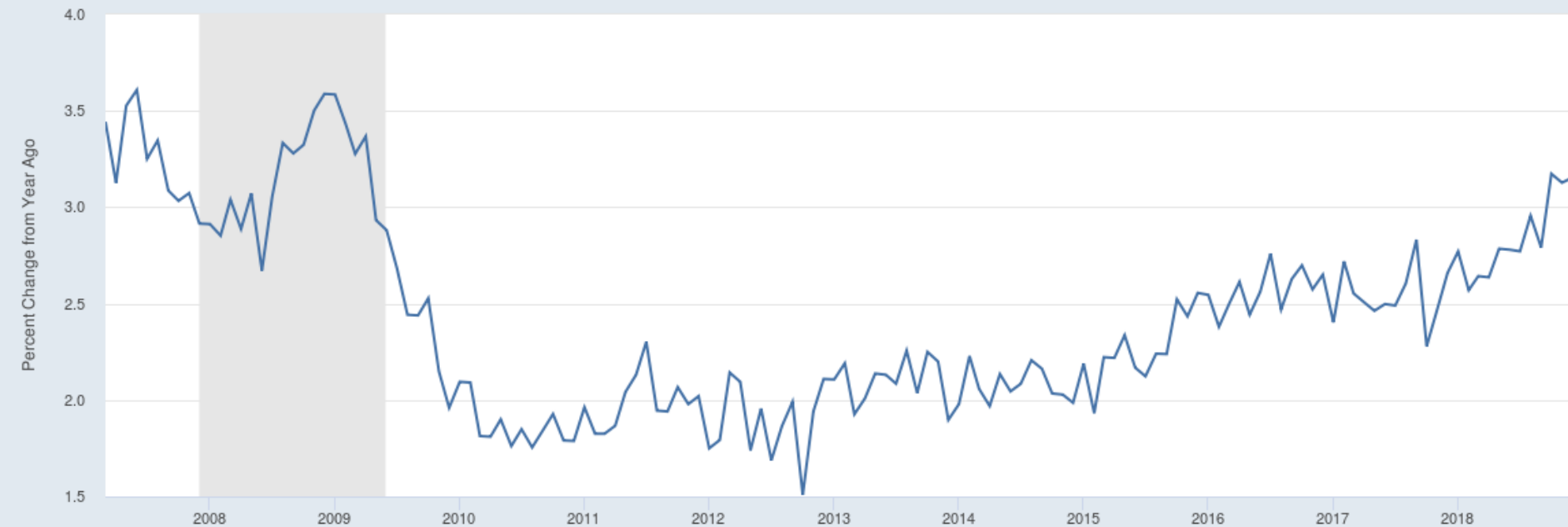
ESTABLISHMENT DATA

Summary table B. Establishment data, seasonally adjusted

Category	Dec. 2017	Oct. 2018	Nov. 2018 ^P	Dec. 2018 ^P
HOURS AND EARNINGS ALL EMPLOYEES				
Total private				
Average weekly hours.....	34.5	34.5	34.4	34.5
Average hourly earnings.....	\$26.64	\$27.31	\$27.37	\$27.48
Average weekly earnings.....	\$919.08	\$942.20	\$941.53	\$948.06
Index of aggregate weekly hours (2007=100) ³	108.5	110.3	110.1	110.7
Over-the-month percent change.....	0.2	0.5	-0.2	0.5
Index of aggregate weekly payrolls (2007=100) ⁴	138.2	144.0	144.1	145.4
Over-the-month percent change.....	0.5	0.7	0.1	0.9

Average Hourly Earning up 3.15% YOY

FRED — Average Hourly Earnings of All Employees: Total Private



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

myf.red/g/mzCA

The 10-year yield is on the move:

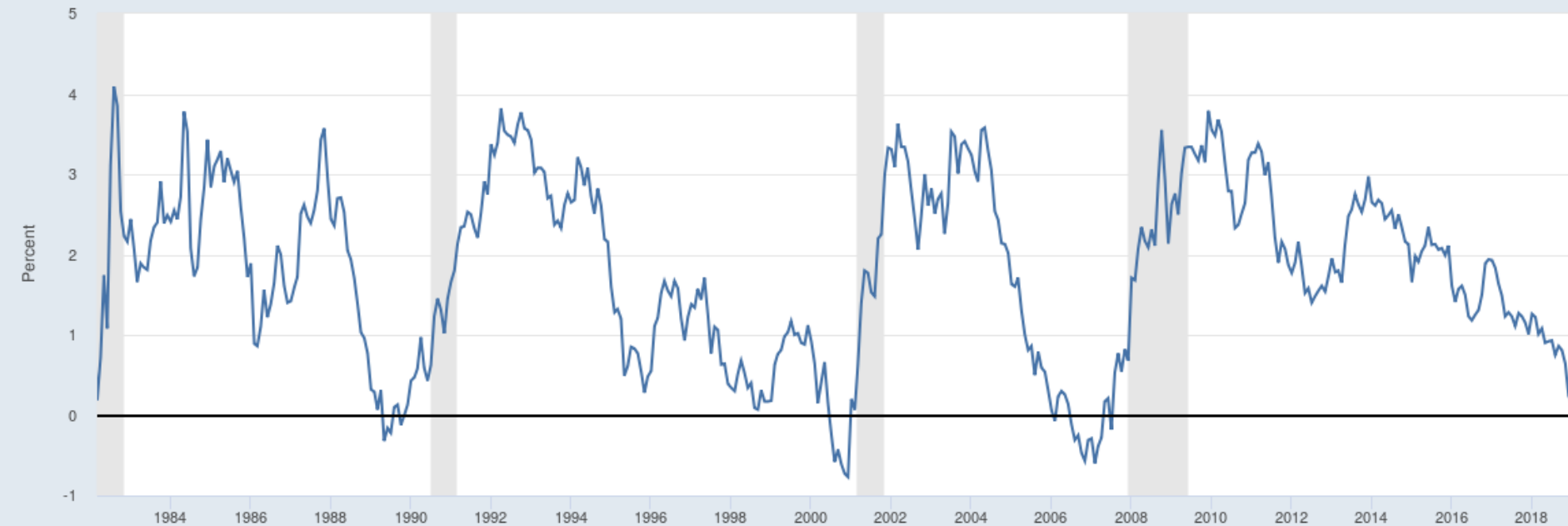


Shaded areas indicate U.S. recessions

Source: Board of Governors of the Federal Reserve System (US)

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FRED — 10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity



Shaded areas indicate U.S. recessions

Source: Federal Reserve Bank of St. Louis

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Fed Funds Implied Probabilities

United States Instrument Futures: Fed Funds - Effective Fed Effective Rate 2.40

1) Overview 2) Future Implied Probability

Current Implied Probabilities 3) Add/Remove Rates

Dates Meeting Calculation Calculated 01/07/2019 Based on rate 2.25-2.50

Meeting	Hike Prob	Cut Prob	1.25-1.5	1.5-1.75	1.75-2	2-2.25	2.25-2.5	2.5-2.75	2.75-3	Fwd Rate
01/30/2019	0.0%	1.6%	0.0%	0.0%	0.0%	1.6%	98.5%	0.0%	0.0%	2.40
03/20/2019	0.0%	2.5%	0.0%	0.0%	0.0%	2.5%	97.5%	0.0%	0.0%	2.40
05/01/2019	4.0%	2.4%	0.0%	0.0%	0.0%	2.4%	93.5%	4.0%	0.0%	2.40
06/19/2019	9.2%	2.3%	0.0%	0.0%	0.0%	2.3%	88.5%	8.9%	0.2%	2.42
07/31/2019	8.8%	5.5%	0.0%	0.0%	0.1%	5.4%	85.7%	8.6%	0.2%	2.41
09/18/2019	8.7%	7.1%	0.0%	0.0%	0.2%	6.9%	84.2%	8.5%	0.2%	2.40
10/30/2019	8.0%	13.9%	0.0%	0.0%	0.7%	13.2%	78.1%	7.8%	0.2%	2.38
12/11/2019	7.2%	21.9%	0.0%	0.1%	2.0%	19.8%	70.9%	7.0%	0.2%	2.36
01/29/2020	6.1%	33.1%	0.0%	0.4%	4.8%	27.9%	60.8%	5.9%	0.1%	2.32

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