

# State of Play

## Hiring spree



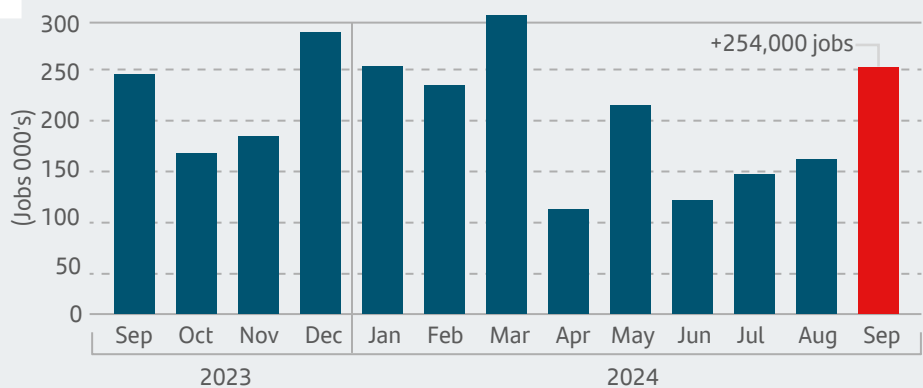
10 October 2024

Last Friday, the US Bureau of Labor Statistics released their non-farm payroll data for September. The data painted a rosier picture of the US economy and could perhaps defy fears of an economic slowdown in the US showing that the economy remains resilient. Santander Asset Management dives deeper into the data in this week's State of Play.

### US non-farm payroll

US employers hired 254,000 new workers last month, defying predictions of a slowdown in the job market. This was the second-to-last jobs report before the US election. Unexpectedly, job creation accelerated in September, while the unemployment rate dipped to 4.1% from 4.2% in August.

**Job creation  
unexpectedly  
accelerated in  
September**



Source: Bureau of Labor Statistics. Note: Seasonally adjusted non-farm jobs.

Non-farm payrolls are a monthly statistic representing how many people are employed in the US, in manufacturing, construction and goods companies. Non-farm payrolls are defined by the jobs that aren't included: agricultural workers, and those employed in private households or non-profit organisations.

Economists had expected only around 132,500 new non-farm jobs for the month, following a slower summer for employment growth. However, hiring surged compared to recent months. In August, employers added 159,000 jobs, and in July, they added 144,000. The Bureau of Labor Statistics also revised its July and August estimates upwards, adding 72,000 more jobs than initially reported, underscoring the robust state of the labour market.<sup>1</sup>

On a cautionary note however, the labour market data for October may encounter some temporary disruption following the destruction caused by Hurricane Helene in large parts of the US Southeast. Additionally, tens of thousands of machinists at Boeing went on strike in September, which has had a rippling effect on the aerospace company's suppliers. If the strike continues, it could negatively impact the non-farm payrolls data for October, which will be published just before the US presidential election on 5 November.

## Market reaction

Following the announcement, the dollar rallied to a seven-week high against a basket of major currencies.<sup>2</sup> Shares in the US have also responded positively, with the S&P 500 increasing 0.70% (as at 4 October) after the announcement.<sup>3</sup>

However, with the US jobs reports showing that their economy is proving more resilient than some had feared, the odds of a 0.50% interest rate cut by the US Federal Reserve (Fed) in November have been slashed, with the market now predicting that a 0.25% cut is almost a certainty.<sup>4</sup> Although the probability of a 0.50% cut is very unlikely, the economic picture in the US currently suggests that the Fed may be able to achieve a so-called 'soft landing' where inflation is brought back down to typical levels and a broader downturn is avoided.

## The value of seeking guidance and advice

It is important to seek advice and guidance from a professional financial adviser who can help to explain how to build an appropriate financial plan to match your time horizons, financial ambitions and risk comfort. If you already have a plan in place or have already invested, it is important to allocate time to review this to ensure this remains on track and appropriate for your needs.

**Learn more!**

Investing can feel complex and overwhelming, but our educational insights can help you cut through the noise. Learn more about the Principles of Investing [here](#).

Note: Data as at 7 October 2024

<sup>1</sup>US Bureau of Labor Statistics, 4 October 2024

<sup>2</sup>Reuters, 4 October 2024

<sup>3</sup>The Guardian, 4 October 2024

<sup>4</sup>Reuters, 4 October 2024

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