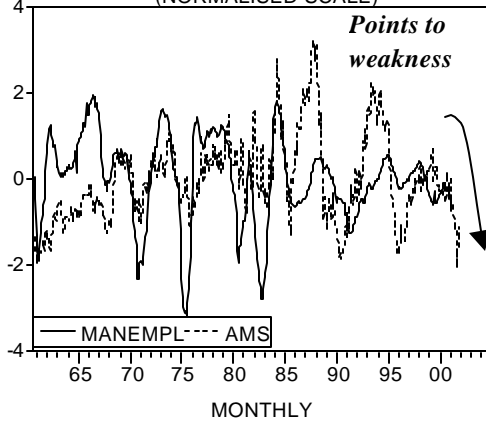


## US employment falls in March

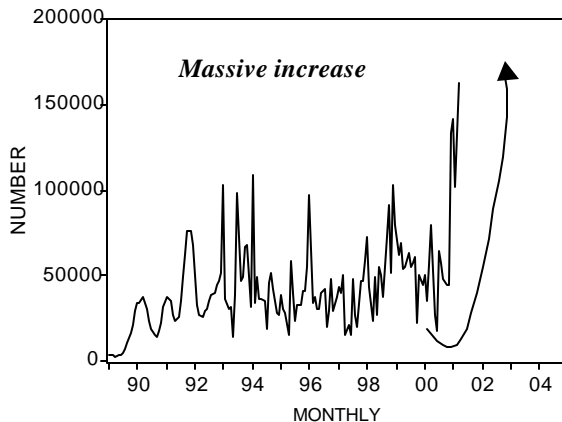
Non-farm employment seasonally adjusted fell by **86,000** in March after rising by **140,000** in the previous month. Analysts have expected employment to increase by **60,000**. The unemployment rate rose to **4.3%** from **4.2%** in February. Employment in the manufacturing sector fell by **81,000** after a fall of **97,000** in February- the eight consecutive monthly fall. Using the yearly rate of growth in lagged money AMS it is quite likely that employment in the manufacturing sector will remain weak (see chart).

Y/Y%CHNG:MAN.EMPL VS MONEY AMS LAGGED 9  
(NORMALISED SCALE)



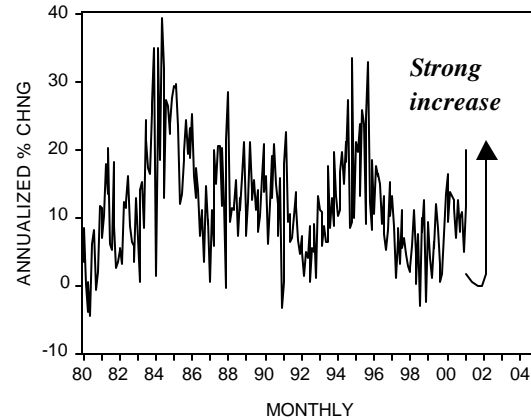
Furthermore, the number of announced layoffs rose year-on-year in March by **192%** to **162,867** (see chart), according to Challenger, Gray & Christmas Inc. In Q1 **406,806** layoffs were recorded a **187%** rise year-on-year.

NUMBER OF CORPORATE LAYOFFS

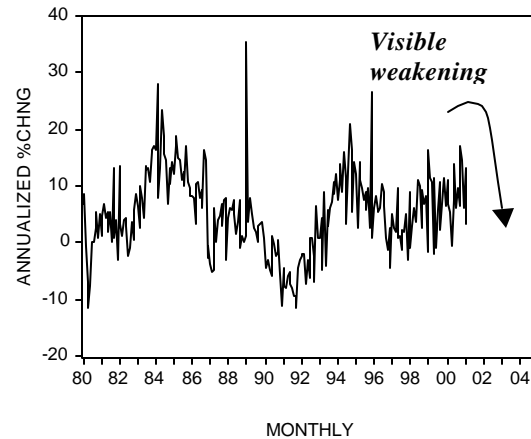


In the meantime, consumer credit outstanding increased by **\$13.5bn** in February. All the strength however, came from the credit card debt, which rose at an annualized rate of almost **20%** after rising by **12%** in January (see chart). The rate of increase in non credit card debt however, eased to **3.3%** from **13.2%** in January (see chart). Rising layoffs are leading to a greater credit card use to smooth income disruption. All this means that in the months ahead consumers will be forced to cut on their outlays.

%CHNG CREDIT CARD DEBT

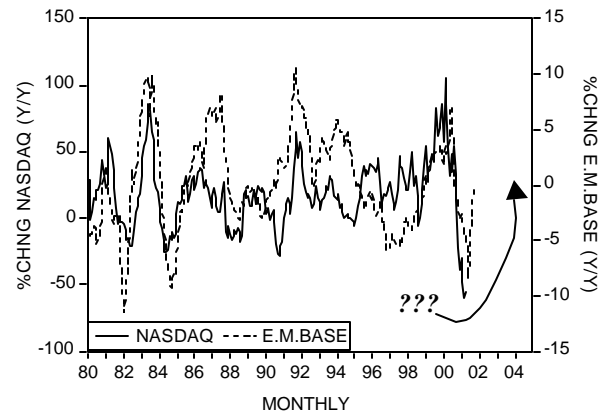


%CHNG NON CREDIT CARD DEBT



For the week the Nasdaq Composite Index fell **6.5%**. The latest strong monetary pumping by the FED raises the possibility that the rate of Nasdaq's decline will ease (see chart), all other things being equal.

%CHNG NASDAQ VS EXCESS M.BASE LAGGED 6



### Thought for today

When a politician says "consumer outlook better", you should read it backward.

### Anonymous