

*September 2<sup>nd</sup> 2016*

*Update On Jobs Report*

***Jobs report is out - US markets up - Is this the best of both worlds?***

*And so the number is out! 151000 jobs were created last month. This is both well short of the consensus 180000 and last month's revised 275000. We are less interested in the number of jobs than in the link between alleged full employment and wages. Despite the increase in jobs, average hourly wages have advanced a paltry 0.1 per cent.*

***US markets see the report as the best of both worlds. The US economy is not imploding and the Federal Reserve is not raising interest rates. The scant increase in wages is not apparently a concern. There is still fuel to buy back your shares!***

***Disconnect between working and eating is increasing***

*The disconnect between working and eating is increasing. This is not boding well for an increase in purchasing power where it is most needed - at the lower end of the income scale. We are also not blown over by the labor force participation rate - at 62.8 percent this is not a beacon for safety in numbers. We continue to see inflationary pressures as low and unlikely to hit the Federal Reserve targets soon.*

***What conclusions can we draw?***

*What conclusions can we draw? The first is that the Phoenix like rebound of the US economy in the second half of 2016 is unlikely. We see the last line of support in the consumer - wage earner and this data reflects plodding at best. As regards monetary policy, we still see a reasonable chance of the US central bank raising rates in December - should there not be electoral surprises likely to cause a complete re-assessment of investment strategies.*

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Jean Ergas is the Chief Economist for Tigress Financial Partners LLC (Member FINRA, MSRB, SIPC) based in New York City.

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He is fluent in English, French, German, Italian, Spanish and Portuguese. He also has a certificate in Arabic – from NYU School of Professional Studies.

His career has spanned the complete range of macro risk analysis - energy / commodities with ENI - Global Fortune 500 17 - leading global natural resources group, capital markets with Swiss Bank Corporation (now UBS) and insurance / reinsurance with the A.M. Best Company. Jean contributes regularly to international media commenting on key macro-economic issues.

Jean is a member of the American Institute of Certified Public Accountants and has an MBA and an Advanced Professional Certificate in Accounting from New York University's Stern School. He has also passed the FINRA Series 7 examination.

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## Research Highlights

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