



## The Day Ahead: Forget What You Know About The Payroll Count

Everyone's been talking about the ongoing change in the significance of the payroll number in the jobs report. OK, not everyone, but economists and bond traders for sure. The issue is the rapid shift in the size of the labor force as well as recent volatility in the multiple jobholder category, among other things. Specifically, the labor force has been shrinking since November and was already growing at a slower rate before then. That means it takes a lower NFP number to keep unemployment flat. More importantly, it means that NFP is no longer the be all, end all economic indicator. For decades, NFP has been the go-to number in the jobs report while the unemployment rate was an afterthought. Now, it's the complete opposite. That's why NFP can come in at 115k vs 62k today while unemployment is 4.3 vs 4.3 and bonds are just a hair stronger (never would have happened before these structural changes began).

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