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Weekly Commentary

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Sometimes excellent headline numbers can hide weaker elements, and that was the case with the Bureau of Labor's jobs report released last week. It indicated that the U.S. added 242,000 jobs in February, a tick above the average gain of the last 14 months. And it also stated that the much-watched unemployment rate stayed at 4.9%—a low number by any account—and the labor participation rate increased from 62.7% to 62.9%. But buried beneath these figures were data that showed wages slipped and hours worked per week dropped. These suggest that, despite the move to better employment, inflation might stay low for the near future, and both of those need to improve if the Federal Reserve is going to hike rates in 2016.

Measures of manufacturing health were still negative, but an important service sector report fared better. The price of crude oil rose into the mid-$30s per barrel.

The London interbank offered rate (Libor) did not move appreciably from the previous week with one-month Libor at 44 basis points and 3-month at 63 basis points.

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