

Cdn Jobs: They Shot, They Scored

Canadian employment was impressive in February, rising by 20,900 and building on the 43,000 increase in the prior month. Unlike January, the details were strong, as full-time jobs blasted 60,200 higher, with gains led by the goods-producing sectors. The unemployment rate dipped another tick to 8.2%, putting the 8.7% peak of last August further in the rear-view mirror. One quibble was that job gains relied heavily on the public sector, and that train can't continue much longer. Still, manufacturing rose from near-35 year lows in January. As well, hotels and restaurants added 26,500 jobs, and that can't be entirely put down to the Olympics, as B.C. accounted for only one-fifth of that rise. Health care, management & administrative, and resources also posted double-digit gains. On the flip side, construction fell 11.1k, despite the unusually mild winter and the rebound in housing. Retail & wholesale trade saw an even deeper drop (-33.5k), but this sector should soon return to strength.

B.C. posted a solid, but unspectacular, rise of 9,900, against the backdrop of the Olympics. True that was the largest overall gain, but in percentage terms (+0.4%) it wasn't even the strongest in the country (N.S. at +0.9%). Seven of the other 9 provinces posted gains, partly offset by a 14,800 drop in Alberta.

(thousands)	(average change)					
	Feb	Jan	Dec	3-month	12-month	
Total	20.9	43.0	-28.3	11.9	7.3	
(month/month % change)	0.1	0.3	-0.2	0.8 **	0.5 ****	
Full-Time	60.2	1.4	-29.4	10.7	8.2	
Part-Time	-39.3	41.5	1.3	1.2	-0.9	
Goods Producing	17.8	-23.1	-15.5	-6.9	-8.5	
Manufacturing	16.9	-15.7	-12.1	-3.6	-7.6	
Construction	-11.1	-0.4	4.5	-2.3	1.5	
Service Producing	3.1	66.1	-12.8	18.8	15.8	
Trade	-33.5	23.4	17.0	2.3	1.0	
Unemployment Rate (%)	8.2	8.3	8.4	8.4 *	8.0 *	
Avg. Hr. Wages (y/y % chng)	2.4	1.8	2.4	2.3 *	3.9 *	

* 3 and 12 months ago ** 3-month % change, a.r. **** year/year % change

The Bottom Line: This report is another indication that Canada's job market is getting back on terra firma. Employment is now up from year-ago levels (+0.5%), miles away from the still-wicked 2.5% y/y drop in U.S. payrolls. Similarly, Canada's unemployment rate is now only slightly above last February's 8.0% reading, as the labour market continues to gradually heal. Last month's strength looks real, with the advance in full-time jobs quite an impressive achievement, and apparently without much of an artificial boost from the Olympics and/or the mild weather. The countdown clock for Bank of Canada rate hikes is ticking louder by the day.

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