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Instant view: Job growth grinds to a halt in August

U.S. employment growth ground to a halt in August as sagging consumer confidence discouraged already skittish U.S. businesses from hiring, keeping pressure on the Federal Reserve to provide more monetary stimulus to aid the economy.

COMMENTS:

BRIAN DOLAN, CHIEF STRATEGIST, FOREX.COM, BEDMINSTER, NEW JERSEY

"Most people were expecting a weak report, so there's not much surprise there. I would have liked to see slightly better number to give risk a boost and provide better levels at which to sell. It does provide more ammunition for the doves on the FOMC. The bottom line is that the worse the data is, the more likely it is we get additional QE. That will keep the dollar heavy against the yen and Swiss franc, and now we're even seeing it weaken a bit against the euro and sterling."

SAL ARNUK, CO-MANAGER OF TRADING AT THEMIS TRADING IN CHATHAM, NEW JERSEY.

"In a nutshell, this is the great goose egg economy -- a big zero, a big nothing -- and this better be one hell of a speech next week. There is a plethora of bad news. You have what is going on in Greece, you have lawsuits potentially coming today or Tuesday against the banks. You have the Fed in a Wall Street Journal article overnight asking Bank of America if they are going to be OK if things get really bad. There are a lot of confidence issues in the marketplace, the jobs number only made things worse and people wonder about this jobs number and its correlation with Philly Fed. That is scary. My only question is why the market isn't down more?"

STEVE BLITZ, SENIOR ECONOMIST FOR ITG IN NEW YORK

"The economy is slowly grinding to a halt. The problem, however, on the policy side is that I wonder whether the numbers are truly weak enough to galvanize a political response.

"To me, the major take away from this number is that it keeps policy in limbo -- it's bad but not bad enough."

DOUGLAS BORTHWICK, MANAGING DIRECTOR, FAROS TRADING, STAMFORD, CONNECTICUT

"These days finding green shoots is like squeezing water from a stone. With the number coming in at 0, and the prior revised 32,000 lower, the Fed has gained greater political ability to enact a version of QE3 at their meeting in September. We see this as terrifically bearish for the dollar, bullish for gold and bullish for euro/dollar. QE3 will accomplish two things - assets in the U.S. will be further inflated, and the weaker dollar will help U.S. multinationals as their foreign earnings will inflate on the weaker dollar."

GREG SALVAGGIO, VICE PRESIDENT OF TRADING, TEMPUS CONSULTING, WASHINGTON

"You have to look at payroll in the context of the confidence numbers. In August, you had Congress imploding, a U.S. downgrade and a hurricane. It was a pretty rough environment for confidence on the consumer level, let alone on the employer level. It makes sense the numbers are bad. It's a bit surprising

that they were this bad. But I think it was discounted. We saw some people buying Swiss francs already last night, though that's also driven by significant concerns about Europe. The poor U.S. jobs report doesn't help, of course, and now we're looking at a 3 percent move in the Swissie, so it will be interesting to see what the SNB does. The dollar should remain rangebound against the euro, probably 1.42-1.4350."

MARK VITNER, SENIOR ECONOMIST, WELLS FARGO SECURITIES, CHARLOTTE, NORTH CAROLINA

"It's clearly disappointing, although we were looking for a very low number. Part of the weakness is the Verizon strike, it wouldn't be quite as bad without the strike.

"There were a couple of encouraging things: We saw a rise in household employment and the labor participation ratio improved.

"We've had several months now that have been well below 100,000.

"The Fed downgraded their forecast for the economy. This justifies what they've done. This looks like an economy stalling out as opposed to falling into a recession."

DAVID SLOAN, ECONOMIST, IFR ECONOMICS, A UNIT OF THOMSON REUTERS

"There was a special factor of 45k strikers in the information sector, which outweighed a positive special factor of 22k returning government workers in Minnesota after a shutdown. Still the report is disappointing, with a dip in the workweek to 34.2 from 34.3 hours, and a 0.1% dip in average hourly earnings both weaker than expected. Unemployment held steady at 9.1% as expected and the internals of the household report are positive, employment up 331k and the labor force up 366k. Still, the weak payroll internals carry more weight, and imply an economy that while probably not yet entering a double dip, is not growing strongly enough to reduce unemployment."