U.S. economy adds the least jobs in 7 months.

Financial Markets

U.S. Treasury prices gained on Friday, while the dollar declined as weaker-than-expected U.S. jobs data added to speculation the Federal Reserve will refrain from raising interest rates in coming months. The yield on the benchmark 10-year Treasury note fell 3 basis points (bps) to 1.72 percent, hitting its lowest level since April 7, while the 2-year note yield fell 2 bps to 0.70 percent. The market-implied probability of an increase at the Fed’s June meeting dropped to 4 percent.

Chinese commodities prices fell on Friday, with steel futures suffering the most on concerns that demand in the world’s biggest steel consumer could soon wane. The commodities slide spilled over onto stocks, with the Shanghai Composite Index plunging 2.8 percent, its worst loss since February. The most-traded rebar (reinforcing bar used in construction) on the Shanghai Futures Exchange slid 0.9 percent, extending its weekly decline to around 10 percent, the steepest drop since 2009.

Advanced Markets

U.S. total nonfarm payroll employment rose by 160,000 in April, the lowest figure since September 2015 and substantially weaker than the downwardly revised 208,000 registered in March. The figure fell below the market expectations of 202,000. Job gains were led by professional and business services, health care, and financial activities, while mining employment continued to contract. Meanwhile, the unemployment rate held steady at 5 percent in April from the March rate, higher than the forecasted 4.9 percent.

Canada’s unemployment rate remained unchanged at 7.1 percent in April from March and below market expectations of 7.2 percent increase.

Japan’s services purchasing managers’ index (PMI) declined to 49.3 in April, down from 50 in March. This is the lowest reading since March 2015 and was led by contraction in business activity, although new orders were broadly stable.

Emerging and Developing Economies

Europe and Central Asia

Ukraine’s consumer prices climbed by 9.8 percent (y/y) in April, following the 20.9 percent growth in March. It was the lowest level since April 2014, as cost of food, housing and utilities, clothing and footwear and furnishings rose at a slower pace. On a monthly basis, prices jumped 3.5 percent.

Latin America and the Caribbean

Consumer prices in Brazil increased 9.3 percent (y/y) in April slightly lower than the 9.4 percent in March, and easing for the third straight month to the lowest since June 2014. Energy and electricity cost increased at a slower pace and helped offset an increase in food prices.
Middle East and North Africa

*Tunisia*’s consumer prices rose 3.4 percent (y/y) in April, slightly up from a 3.3 percent rise in March, reaching the highest figure since January 2016. Cost increases were from food and non-alcoholic beverages, housing and utilities, transport, and clothing and footwear. On a monthly basis, consumer prices increased by 0.7 percent in April, after remaining unchanged in March.

Sub-Saharan Africa

Consumer prices in *Mauritius* edged up 0.2 percent (y/y) in April, slowing from the 0.9 percent rise in March. Falling cost of food and non-alcoholic beverages, housing and utilities and transport weigh on overall prices, while main upward pressure came from clothing and footwear, furnishings, household equipment. On a monthly basis, consumer prices fell 0.8 percent.

May 6, 2016


The views expressed in the Global Daily do not necessarily reflect those of The World Bank Group, its Board of Executive Directors, or the governments they represent. Feedback and requests to be added to or dropped from the distribution list may be sent to: Derek Chen (dchen2@worldbank.org).