Employment Report: Still waiting for "Godot"

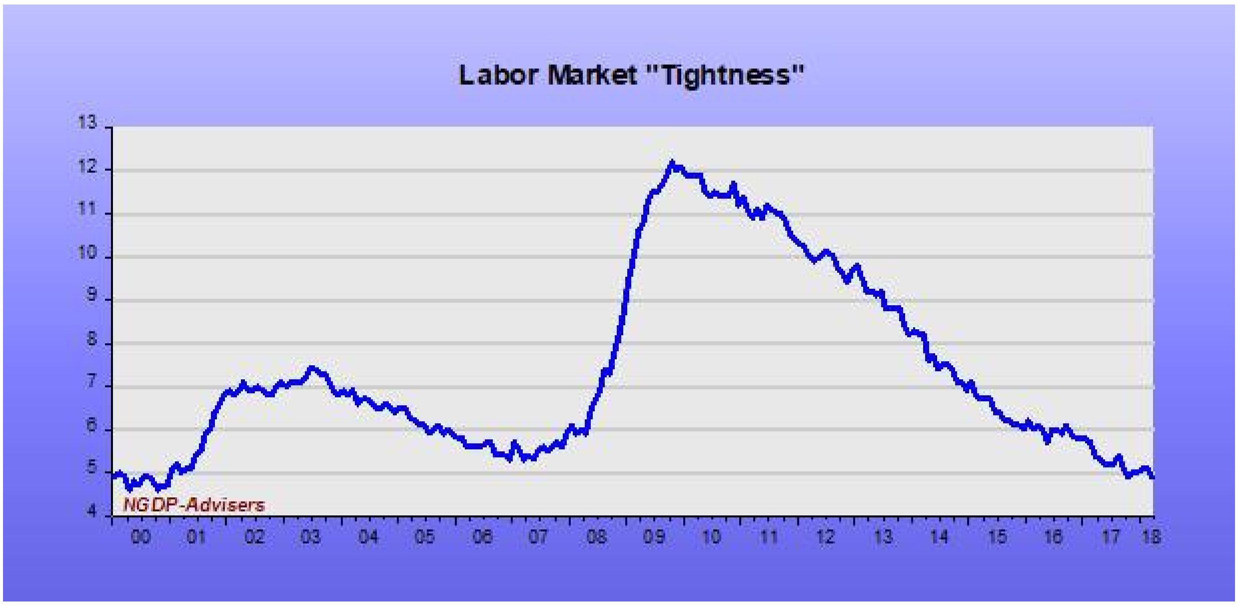
That is, the rise in wages, to the frustration of the Fed, never comes.

In fact, there appears to be glaring "inconsistencies", as the table indicates for wage growth, unemployment and core PCE inflation at selected moments:

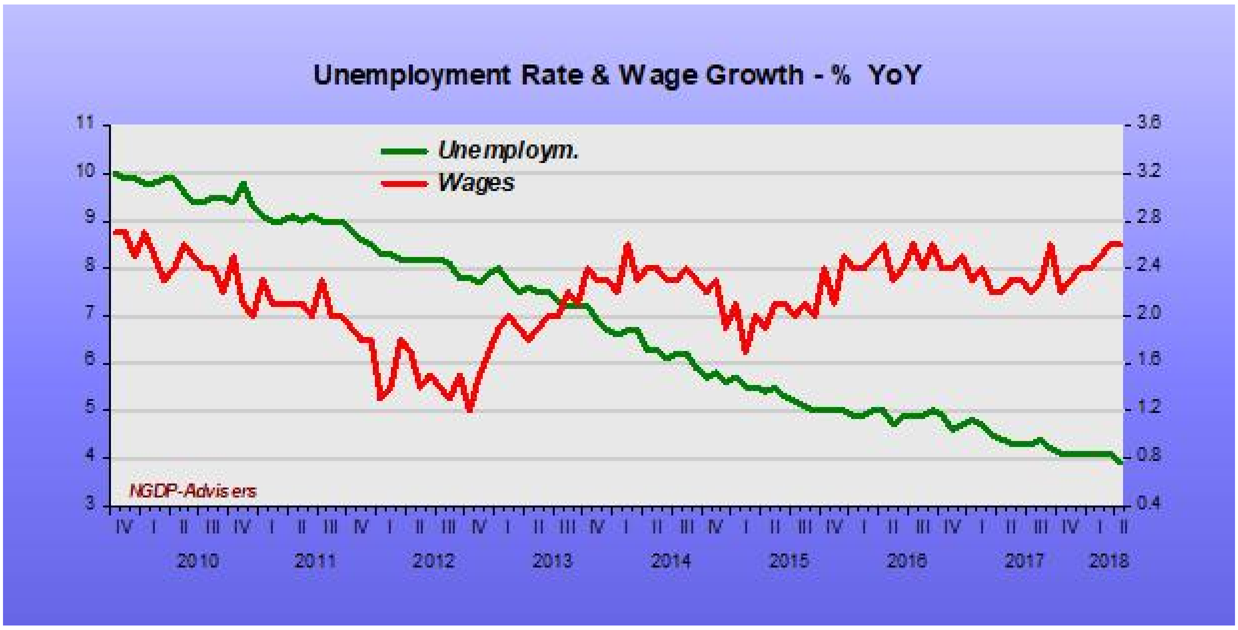
	Wage	Unemploym	PCE Core
Dec 00	4.3%	3.9%	1.8%
Oct 09	2.7%	10%	1.3%
Apr 18	2.6%	3.9%	1.9%

It should also be noted that the drop in unemployment to 3.9% was wholly due to the 236 thousand fall in the labor force.

By one measure of labor market tightness – the unemployed plus those not in the labor force but want a job as a percentage of civilian employment – is hovering near record "highs".



Wages, however, seem "insensitive".



Some, nevertheless, remain adamant, still believing that "[Falling Unemployment Could Pressure Fed to Move Faster on Rates]". The problem is the Fed may think the same!

How did asset prices behave? Stocks opened down, maybe focused on the 3.9% headline number, but after seeing how poor the report really was, climbed strongly, likely believing the Fed won´t be too "anxious". Long-term rates initially fell but climbed back to the previous closing level. The dollar quivered but then ticked up.