
Job anemia puts interest rate hikes into doubt: TrimTabs

By Editorial Staff *Thu, Mar 3, 2016*

“The labor market is not nearly as robust as the conventional wisdom believes,” said David Santschi, chief executive officer of TrimTabs.

Based on real-time income tax withholdings, the U.S. economy added between 55,000 and 85,000 jobs in February, the lowest monthly job growth since July 2013, TrimTabs Investment Research estimates.

“The labor market is not nearly as robust as the conventional wisdom believes,” said David Santschi, chief executive officer of TrimTabs. “Employment growth has been below 200,000 for six consecutive months. Given the weakness in real-time tax data as well as the market volatility early this year, the Fed isn’t likely to raise interest rates again anytime soon.”

TrimTabs reported last week that real growth in withholdings has been decelerating since last autumn and turned negative in February on a year-over-year basis.

TrimTabs’ employment estimates are based on analysis of real-time daily income tax deposits to the U.S. Treasury from the paychecks of the 141 million U.S. workers subject to withholding. Unlike the monthly estimates from the BLS, TrimTabs figures are not subject to revision long after their initial release. TrimTabs uses a range rather than a single figure for its February estimate because the timing of year-end bonus payments can skew the data at this time of year.

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