



# AMG Weekly Market Update

7<sup>th</sup> June, 2010

## U.S. Job data came in lower than expected

U.S. released the job figures for May 2010 last Friday. Unemployment went down slightly to 9.7% and non-farm payrolls rose by 431,000 in the last month. The payroll number was below consensus estimates for over 500,000 jobs increment and widespread sell off was seen after the employment report was released.

The disappointment was not only about number of jobs added, but even more about the source of job growth. Temporary hiring by government for Census in 2010 accounted for 411,000 new jobs being created. Only 41,100 payrolls were added by the private sector. It was far lower than the figure in Apr 2010, which amounted to 218,000. If job growth cannot cross the 200,000 mark in the next few months, it will be a bad news for recovery of employment market and consumption in U.S..

Still, the report was not that bad. Number of unemployed declines by 338,000 and average workweek extended by 0.1 hour to 34.2 hours. They showed that companies are asking the employees to work more. It means that corporate are in need of more manpower.

Admittedly, the job data were nothing satisfactory. But, the first estimates for non-farm payroll has not been very accurate and upward revision is quite possible in our views. Also, seasonal effect is not favourable for large job growth as the month of May is a low season for retail business. We would suggest to wait for 2-3 more months before a conclusion on U.S. job market trends is made.

### Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
China	Manufacturing PMI		May 2010	53.9	55.7
US	Non-farm payroll	Mom change	May 2010	430K	290K
US	Unemployment rate	%	May 2010	9.7%	9.9%
US	ISM non-manufacturing PMI	Mom change	May 2010	55.4	55.4
US	ISM manufacturing PMI	Mom change	May 2010	59.7	60.4
Eurozone	Retail sales	Mom change	Apr 2010	1.2%	0.5%
Eurozone	Unemployment rate	%	Apr 2010	10.1%	10.0%
South Korea	Real GDP	Yoy change	Q1 2010	8.1%	6.0%
Singapore	Manufacturing PMI		May 2010	52.2	51.9



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Philippines	CPI	Yoy change	May 2010	4.3%	4.4%
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\* All figures and information are collected from China Federation of Logistics and Purchasing, [www.bloomberg.com](http://www.bloomberg.com), Eurostat, Bank of Korea, Singapore Institute of Purchasing and Materials Management, National Statistics Office of Philippines.

For any comments, please send email to us at [enquiries@amgwealth.com](mailto:enquiries@amgwealth.com).

AMG Financial Group  
5/F, Guangdong Investment Tower, 148 Connaught Road Central, Central, HONG KONG  
Telephone: (852) 3970 9595 Facsimile: (852) 3426 2650



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