

Australian employment comes in strong

A 41K increase in employment in July - most of it full-time, does not really tally with thoughts of a near-term further easing from the RBA, or a much weaker AUD.



Source: Shutterstock

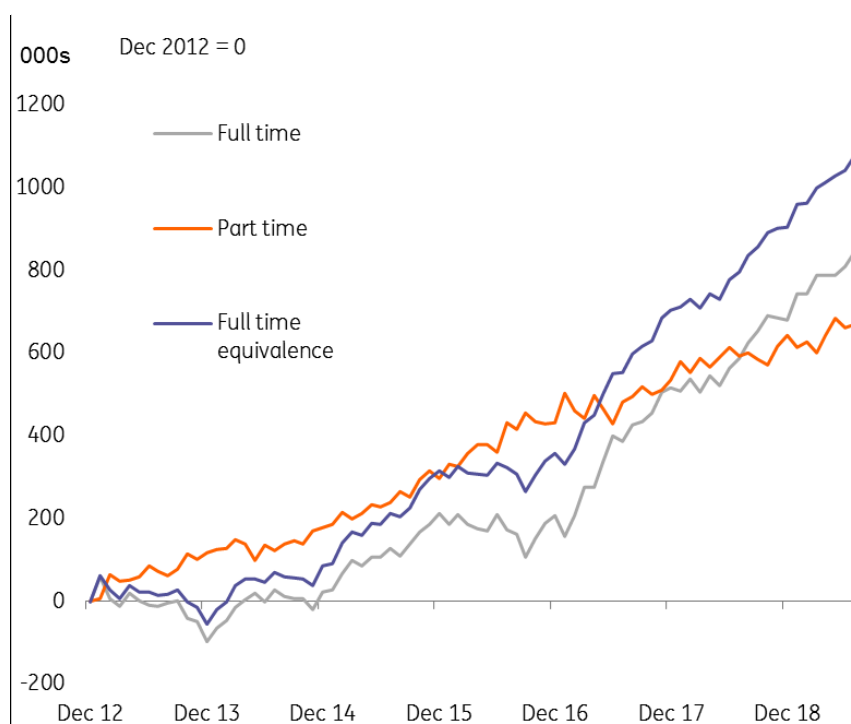
41,000 Employment change
July, up from -2.3K in June

Higher than expected

RBA may ease again, but this data says "pause"

We don't rule out further easing from the RBA before the year-end, but they have done a lot already, and today's strong labour data suggest that the Fed is more likely to be easing before the RBA moves again.

Full and part-time employment



Source: Bloomberg, ING

Its a good 41K, not a bad one

The 41K employment change is even more impressive than it first looks as 34.5K of that total was full-time employment, and only 6.7K part-time. The consensus view was for only a 14K increase (ING f +37K). We were not too surprised by this data, which we find roughly follows a negative serial correlation pattern (in short, it saw-tooths).

The unemployment rate remained unchanged at 5.2%, but that was also well within expectations and came despite an increase in the participation rate.

Author

Robert Carnell

Regional Head of Research, Asia-Pacific

robert.carnell@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.