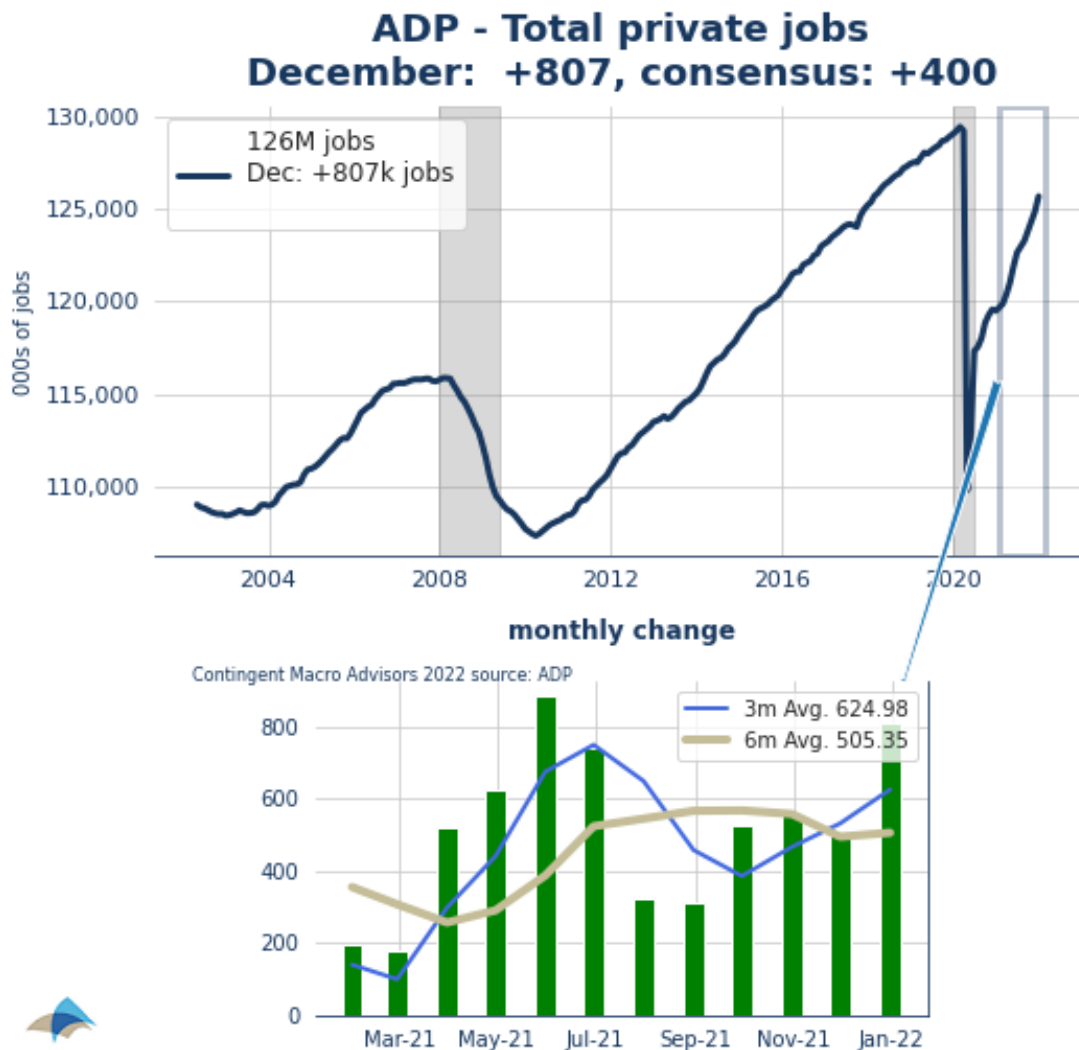


05.Jan.2022

ADP Employment: 800+k, 2x Expectations

Bottom Line: ADP reported stronger than expected job gains in December for the fourth month in a row; this time nearly double expectations. Servicing producing companies drove the surprise, though goods producers continued to hire at a robust pace. Trade/transportation/utility jobs saw their biggest job gains in over a year as intermediary companies continued to hire to alleviate supply bottlenecks. Leisure and hospitality hiring was notably higher at 246k, nearly double the November gains as the initial impact of the omicron variant had minimal impact on consumers' mobility. On a trend basis, this report shows accelerating job creation into year-end with the three-months ended in December running at an average of 625k per month, above the six-month pace of 505k and the 12-month pace of 514k. Moreover, this report suggests upside risk to the consensus forecast of 424k for nonfarm payroll growth on Friday.

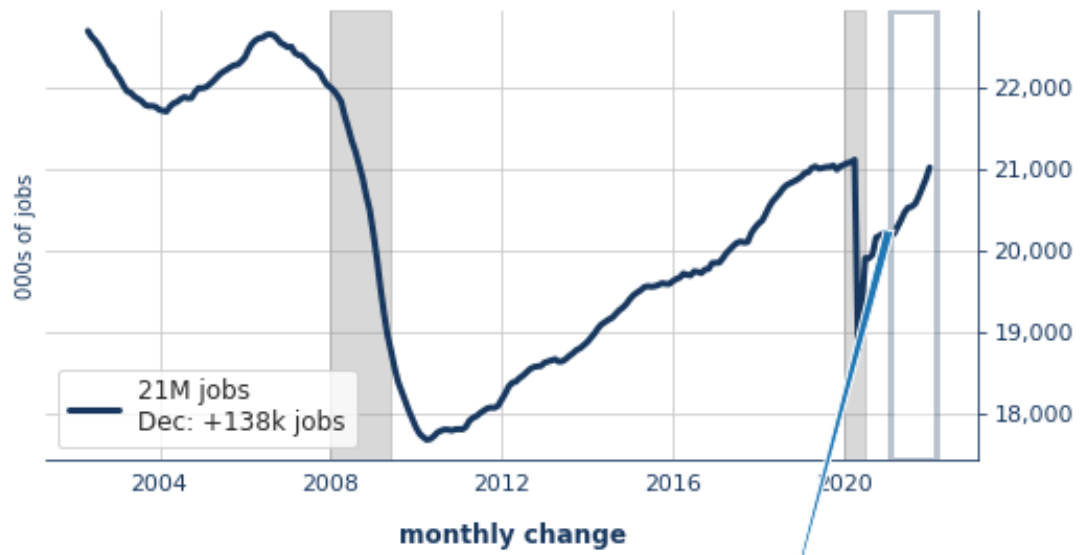


ADP National Employment ROSE by 807k in December, compared with the consensus estimate for a gain of 410k. Meanwhile, the revisions to the prior 3 months subtracted an additional 36k to the previous estimate. Over the past 12 months, private payrolls have increased by an average of 514k per month, lifting employment to 5.2% ABOVE its year-ago level.

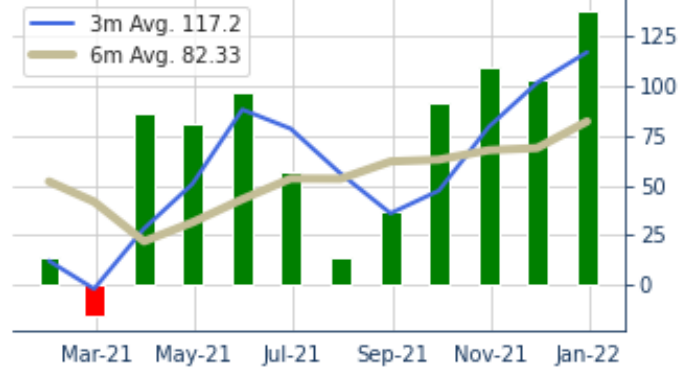
Jobs in Goods-Producing Industries ROSE by 138k jobs but Manufacturing gained 74k workers. Moreover, Construction gained 62k jobs. Meanwhile, **Service-Producing Industries** ROSE by 669k jobs with **Professional/Business Services** hiring 130k workers, **Trade/Transport/Utilities** adding 138k, and **Financial Activities** increasing by 24k workers.

Small Firms hired 204k workers, Medium-Sized Firms grew by 215k employees while Large Firms added 389k positions.

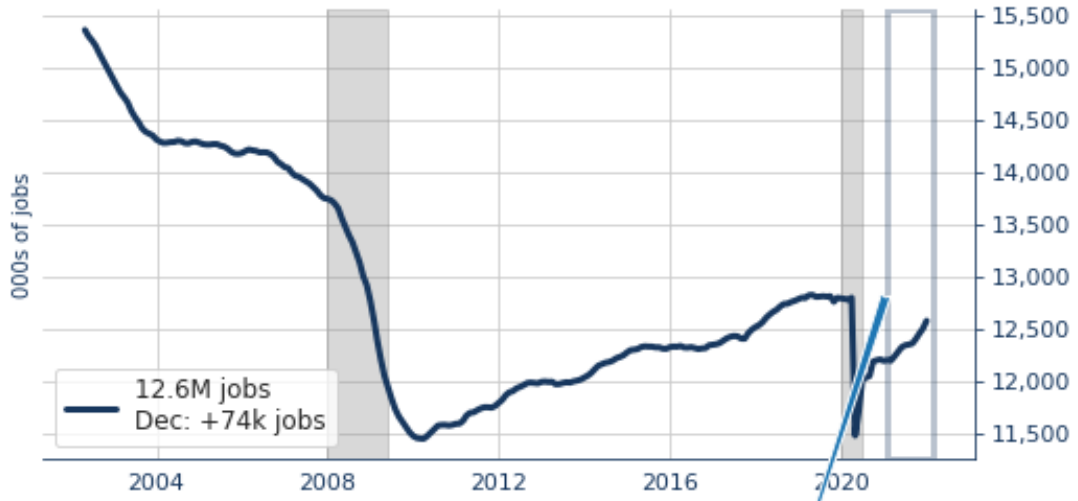
ADP - Goods producing jobs



Contingent Macro Advisors 2022 source: ADP

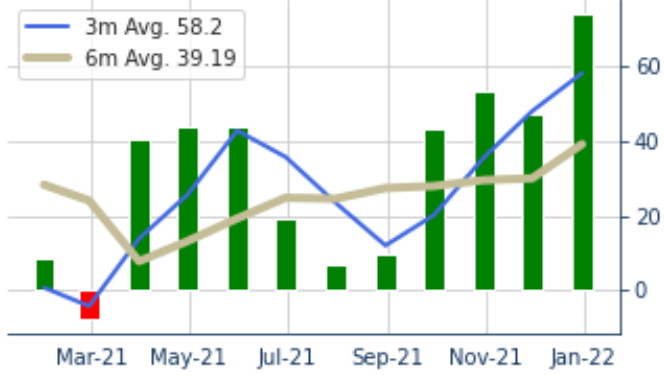


ADP - Manufacturing jobs

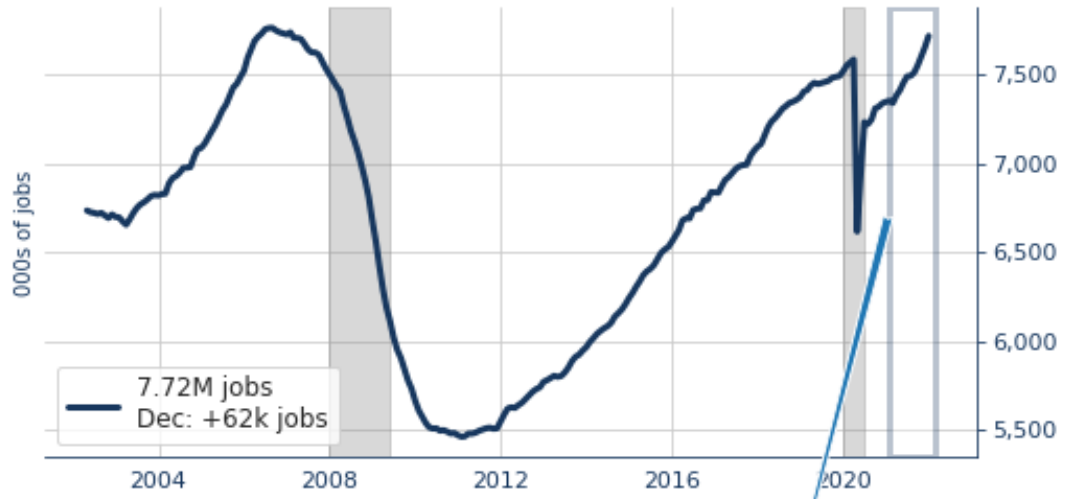


monthly change

Contingent Macro Advisors 2022 source: ADP

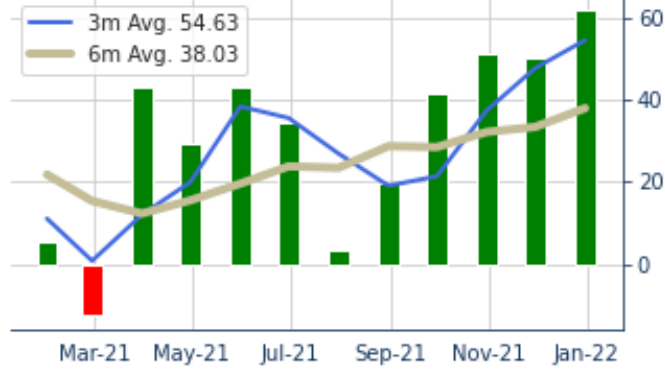


ADP - Construction jobs

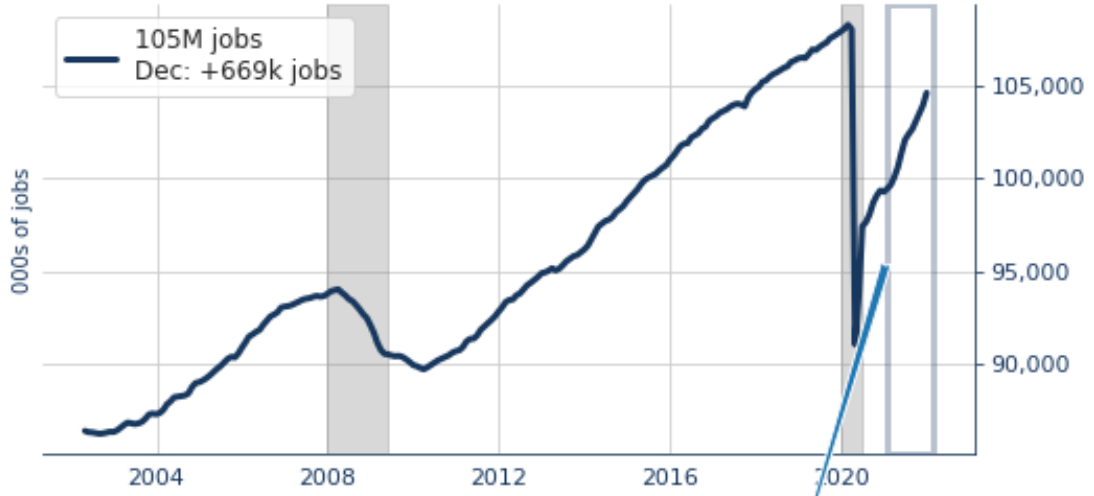


monthly change

Contingent Macro Advisors 2022 source: ADP

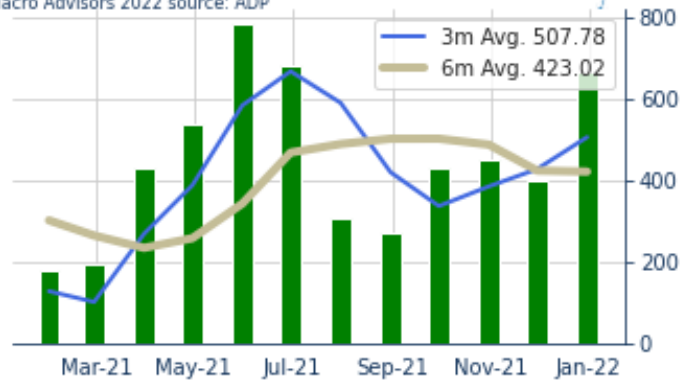


ADP - Service providing jobs

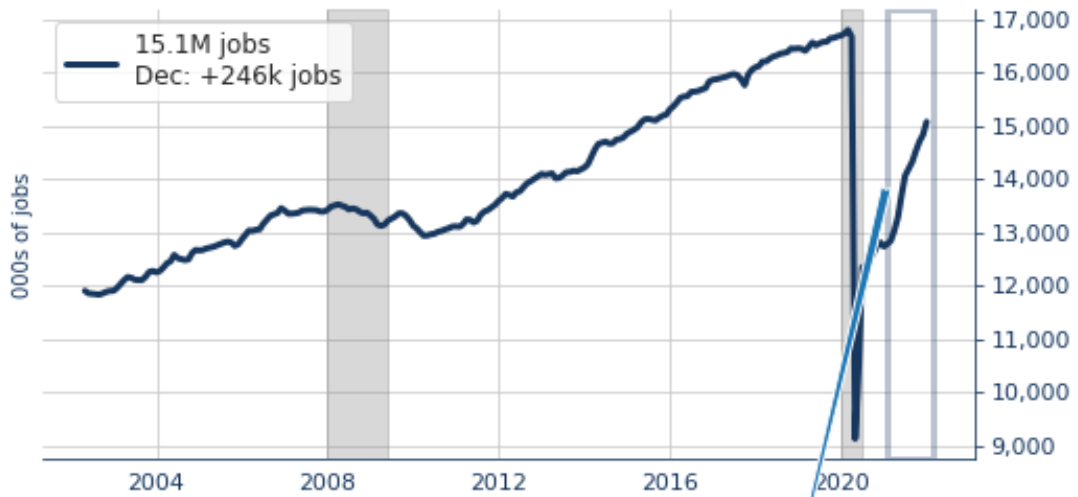


monthly change

Contingent Macro Advisors 2022 source: ADP

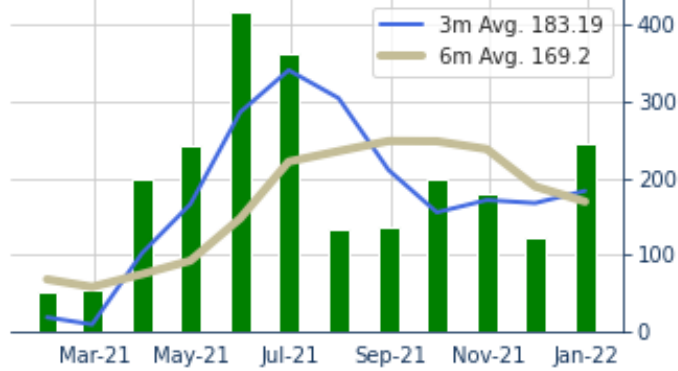


ADP - Leisure & hospitality jobs

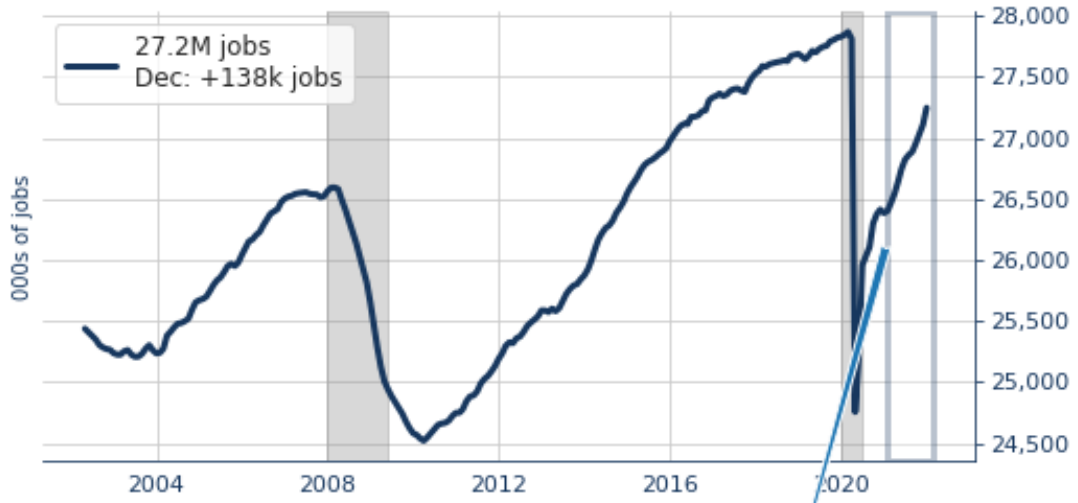


monthly change

Contingent Macro Advisors 2022 source: ADP

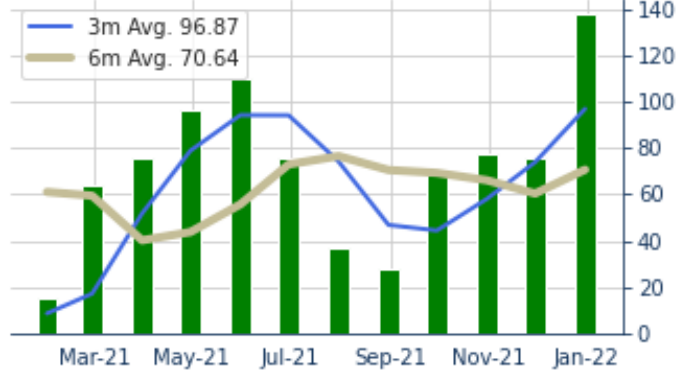


ADP - Trade/transp./utilities jobs

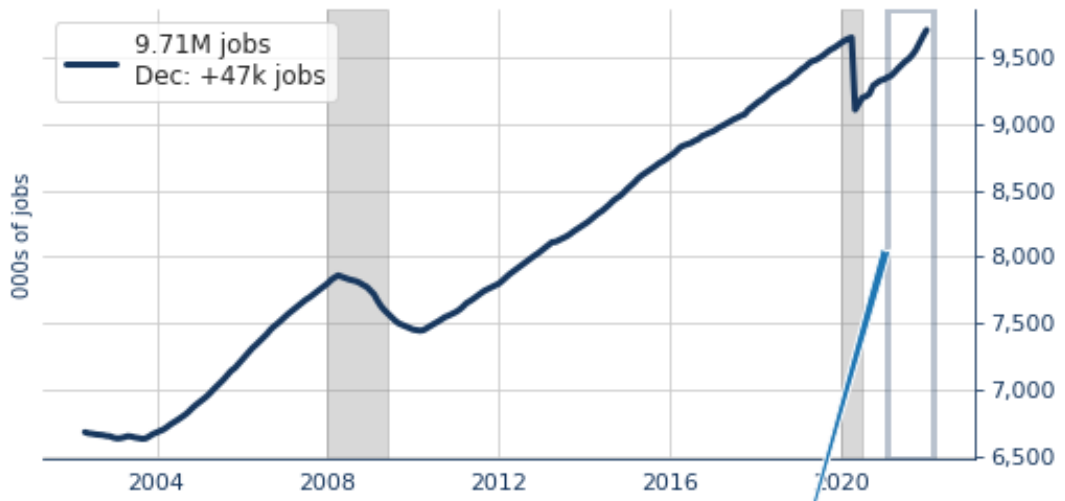


monthly change

Contingent Macro Advisors 2022 source: ADP

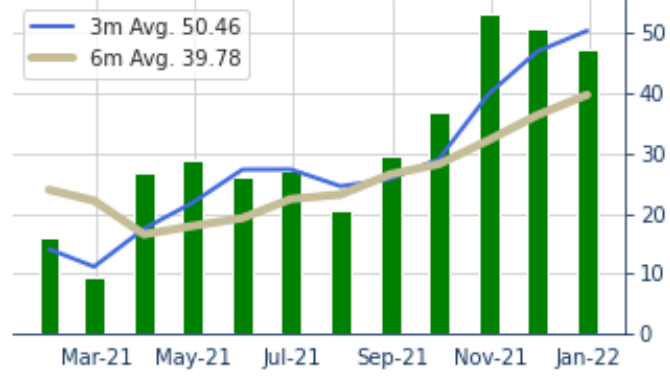


ADP - Professional services jobs

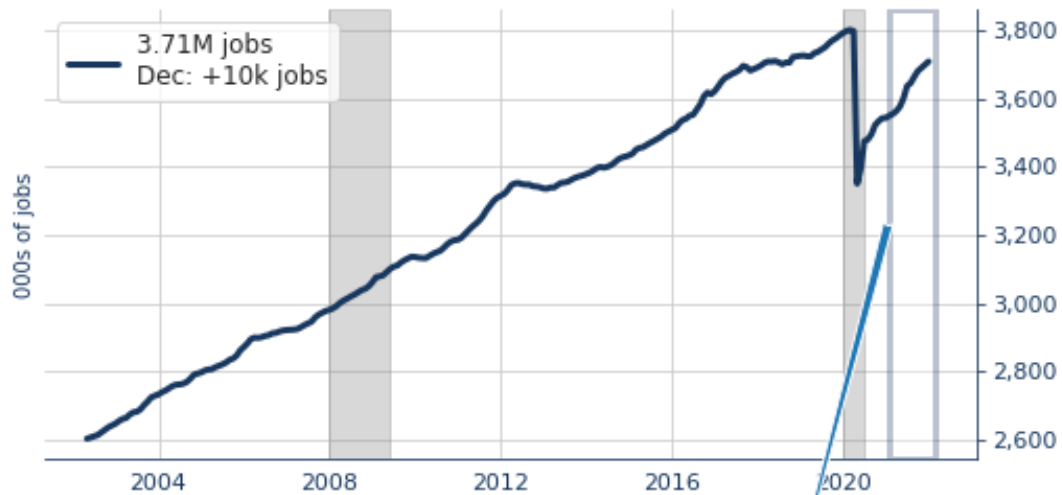


monthly change

Contingent Macro Advisors 2022 source: ADP

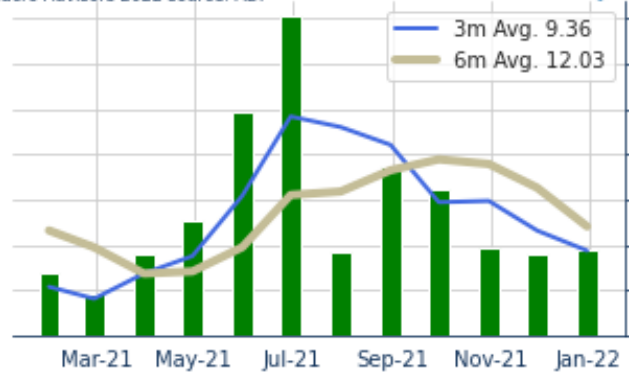


ADP - Education jobs



monthly change

Contingent Macro Advisors 2022 source: ADP



ADP Private Payrolls monthly change in k	Dec-21	Nov-21	Oct-21	3m Avg	6m Avg	12m Avg	2020	5y Avg
Total private	807	505	563	625	505	514	-794	42
Goods producing	138	104	110	117	82	68	-71	20
Service providing	669	401	453	508	423	446	-724	23
Construction	62	50	51	55	38	31	-14	15
Natural resources & mining	2	6	5	4	5	5	-6	1
Manufacturing	74	47	54	58	39	32	-50	4
Prof./business services	130	108	90	109	78	67	-107	12
Professional services	47	51	53	50	40	31	-23	13
Management of companies	7	5	5	5	3	2	-8	1
Administrative & support services	76	52	32	54	35	34	-76	-2

Education & health services	85	52	54	63	59	69	-86	22
Healthcare	75	43	44	54	47	56	-65	21
Education	10	9	10	9	12	14	-21	1
Leisure & hospitality	246	123	181	183	169	195	-330	-13
Trade/transp./utilities	138	75	78	97	71	72	-120	-1
Information	12	9	13	11	9	4	-25	-3
Financial activities	24	13	15	17	15	12	-11	7
Other services	36	21	23	26	22	27	-44	-1