

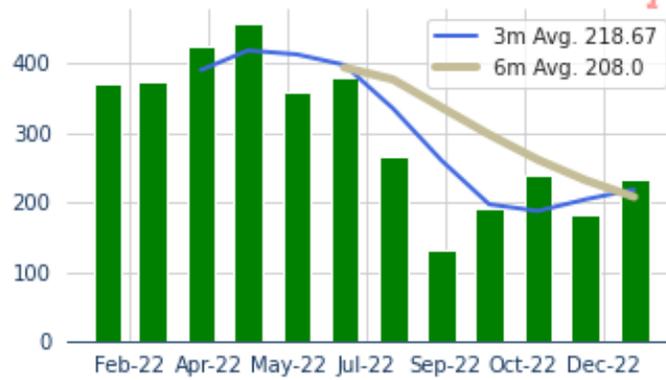
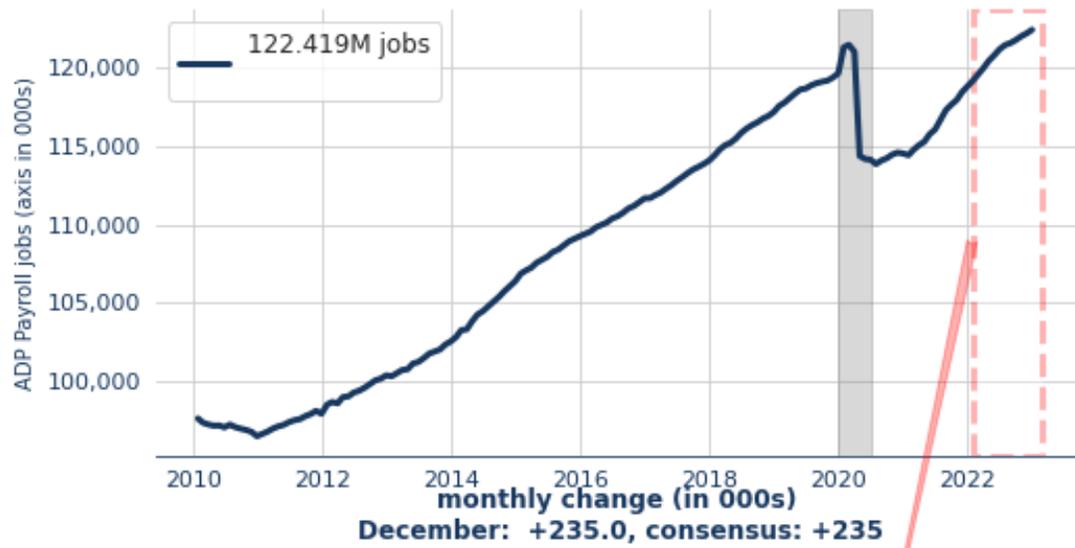
05.Jan.2023

ADP: Sharp Rebound in Hiring As Claims Fall

Bottom Line: ADP reported stronger than expected job gains in December. Hiring in professional and business services rose sharply following several months of declines, according to the private payroll services provider. There were also upward revisions to previously reported data, most notably in manufacturing jobs, where declines were much less than previously reported. Leisure and hospitality job growth slowed but remained the largest source of gains as trade, transportation and utilities saw declines for the second month. **Overall, ADP's report offers upside risk for Friday's non-farm payroll report. Moreover, the report confirms that labor markets remain stubbornly tight.**

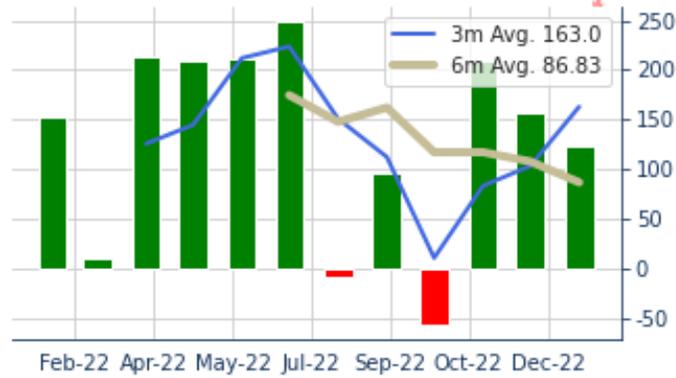
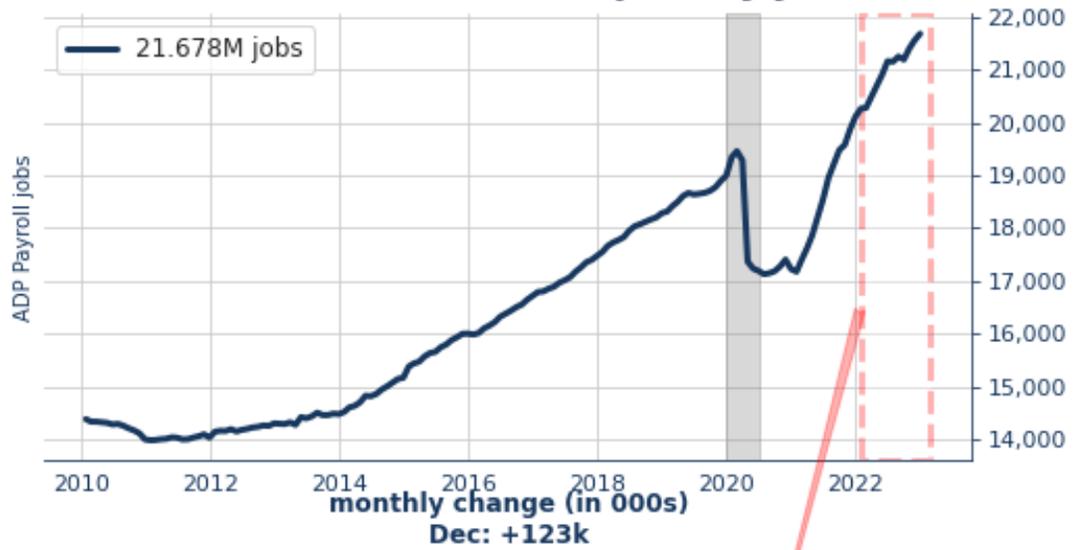
Separately, jobless claims in the final week of 2022 fell sharply, dropping over 20k to 204k on a seasonally adjusted basis. While seasonal adjustments are difficult in the week between Christmas and New Years, this bears close watching in the first few weeks of the new year. Claims had been in a modest uptrend again since October, but the data in the last few weeks of the year brought a further rise into question.

ADP - Total Private jobs



Contingent Macro Advisors 2023 source: ADP

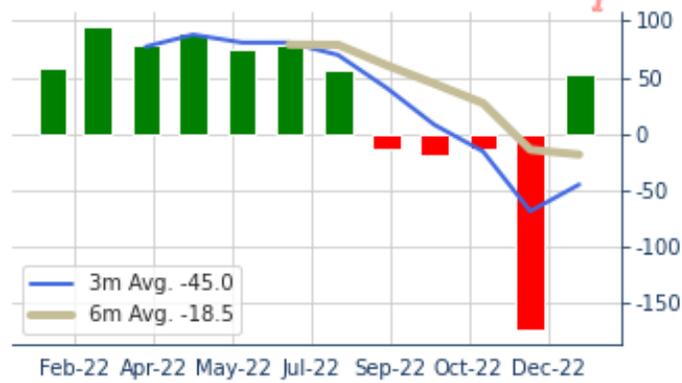
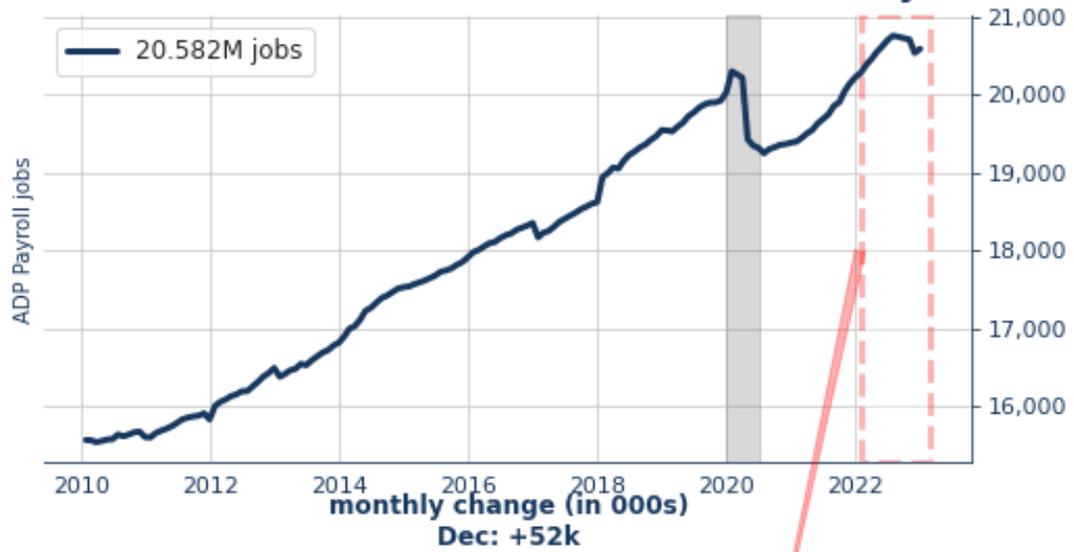
ADP - Leisure and hospitality jobs



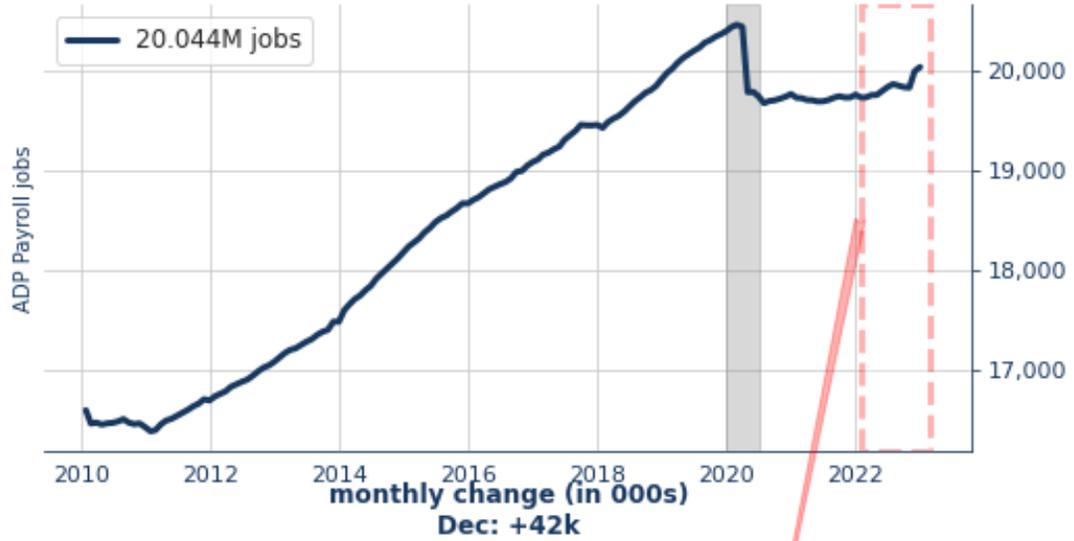
ADP - Trade, transportation, and utilities jobs



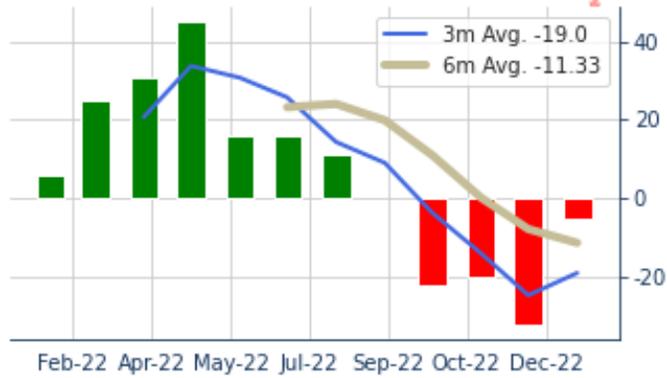
ADP - Professional and business services jobs



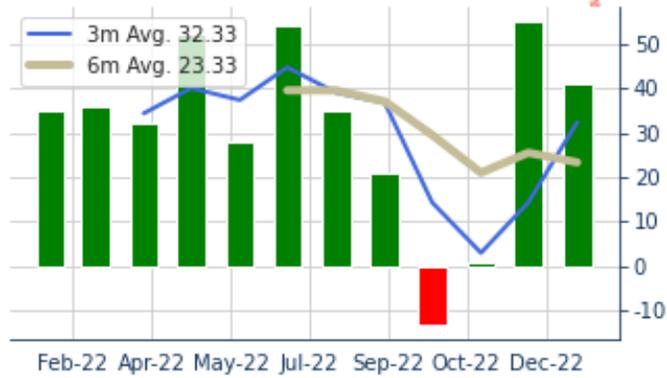
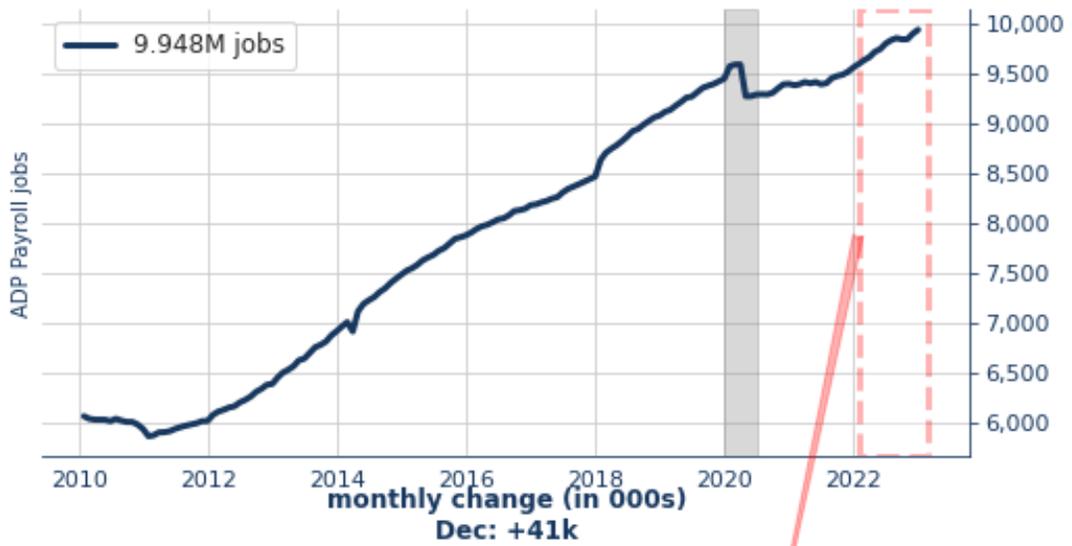
ADP - Education and health services jobs



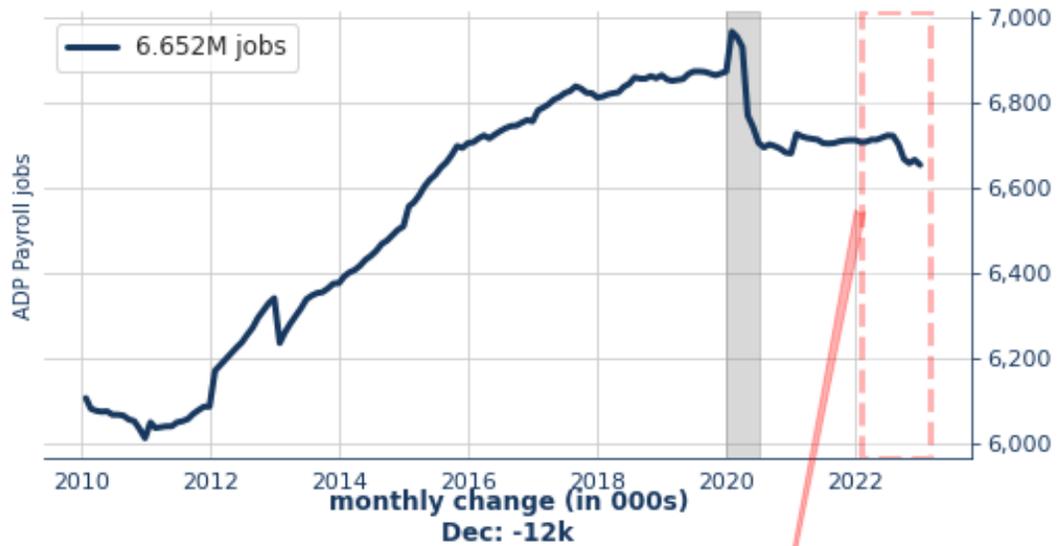
ADP - Manufacturing jobs



ADP - Construction jobs



ADP - Financial activities jobs



Contingent Macro Advisors 2023 source: ADP

ADP Payroll monthly changes	Dec-22	Nov-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
Total Private (122,419k jobs)	235.00	182.00	218.70	208.00	301.20	357.17	139.20
Trade, transportation, and utilities (23,984k)	-24.00	-19.00	13.70	83.70	60.80	16.17	5.70
Leisure and hospitality (21,678k)	123.00	156.00	163.00	86.80	130.80	240.75	70.10
Professional and business services (20,582k)	52.00	-173.00	-45.00	-18.50	30.20	70.17	32.80
Education and health services (20,044k)	42.00	166.00	67.70	33.70	23.20	-0.58	9.70

Manufacturing (10,920k)	-5.00	-32.00	-19.00	-11.30	5.90	8.08	-3.60
Construction (9,948k)	41.00	55.00	32.30	23.30	31.40	13.83	24.50
Financial activities (6,652k)	-12.00	8.00	-4.70	-11.50	-4.80	2.58	-2.60
Other services (4,656k)	31.00	13.00	14.30	10.80	11.10	-5.50	-1.30
Information (2,600k)	1.00	12.00	-1.30	0.30	6.50	11.50	3.30
Natural resources and mining (1,356k)	-14.00	-4.00	-2.30	10.80	6.30	0.17	0.60

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.