

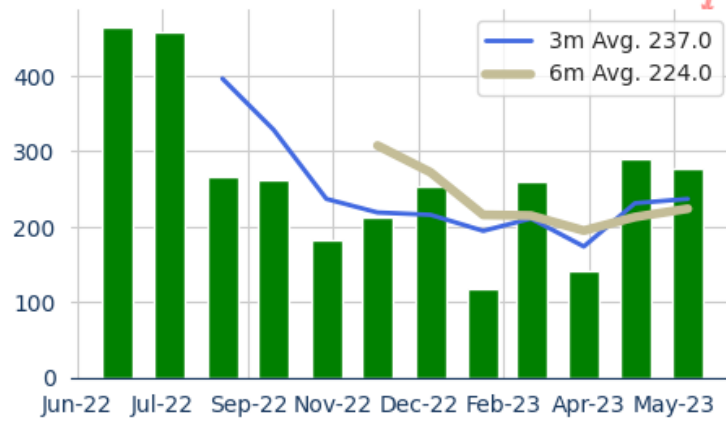
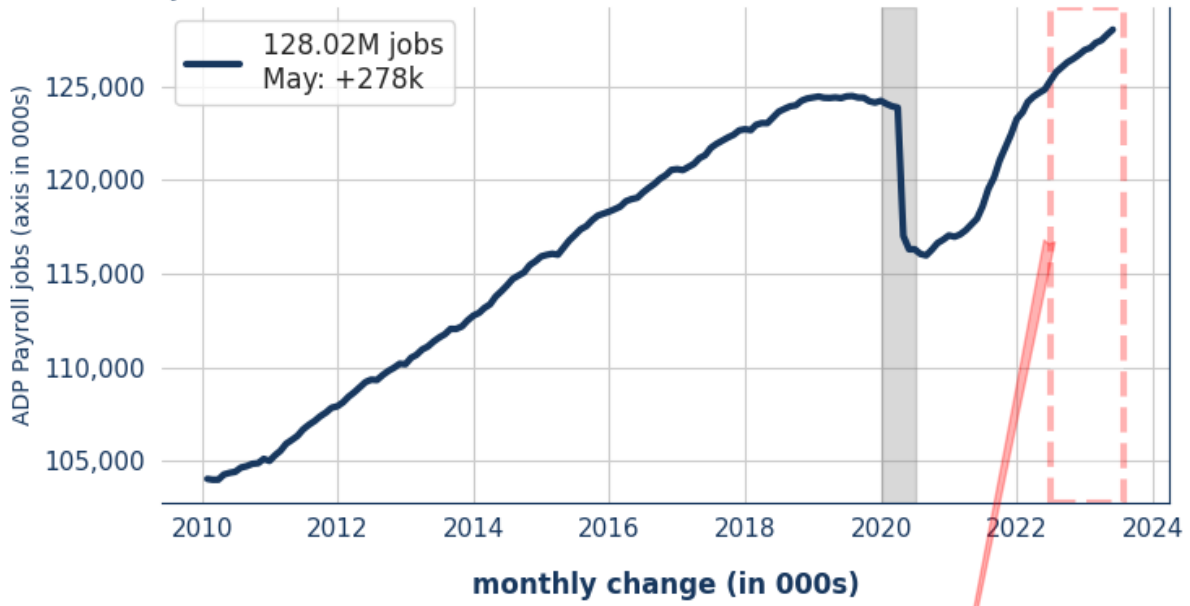
01.Jun.2023

ADP: More Strong Gains

Bottom Line: ADP reported better-than-expected hiring again in May, with payrolls rising 278k, well above the consensus estimates looking for 170k. While the magnitude of the gains was remarkably strong and suggests labor markets remain tight, the details offered a few concerns. Education and health services, the second largest segment and a source of higher-paying jobs, saw the biggest declines of this cycle. Manufacturing also saw significant job losses. Moreover, the gains were mostly in the lower-paying leisure and hospitality segment. **Overall, the details of the report were a bit less compelling than the headline. Hiring remained robust, and there is scope for an upside beat in tomorrow's national payroll report (consensus is 195k for nonfarm payrolls).**

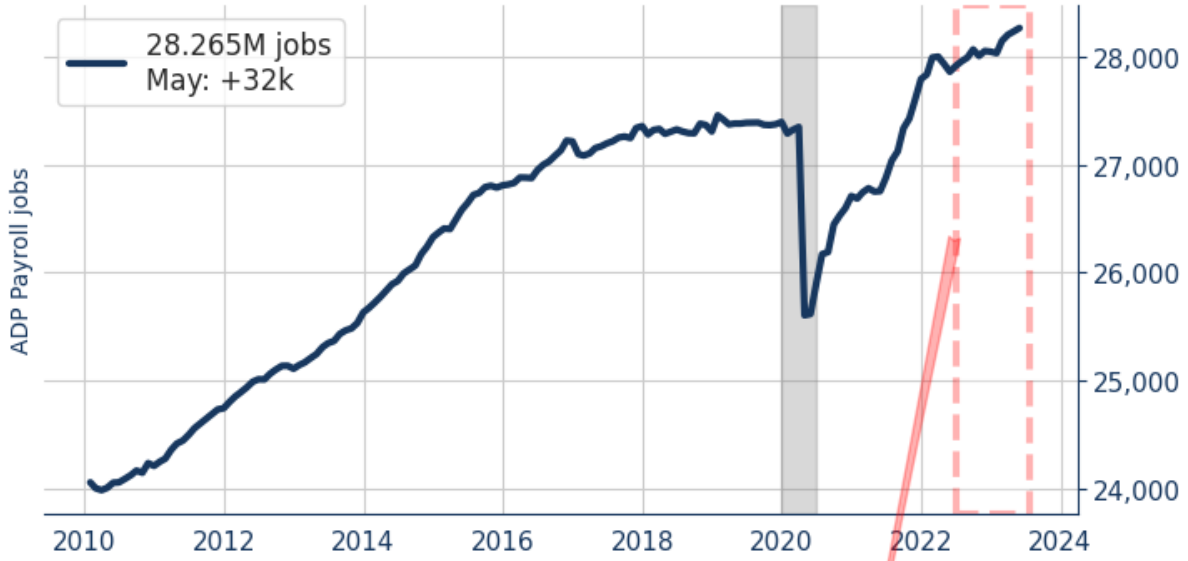
ADP - Total Private jobs

May: +278.0, consensus: +170

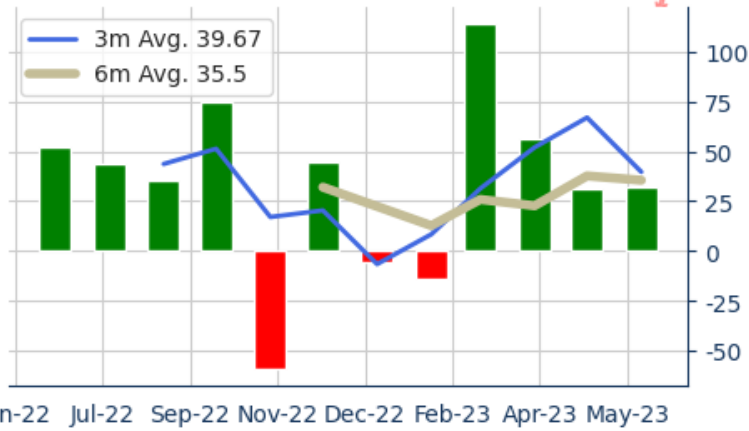


Contingent Macro Advisors 2023 source: ADP

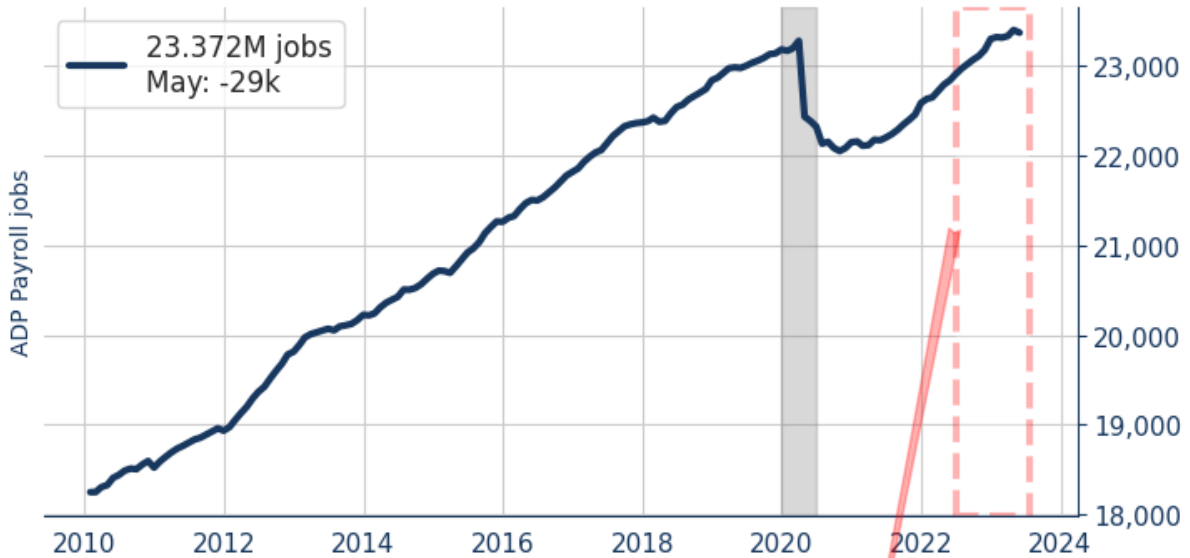
ADP - Trade, transportation, and utilities jobs



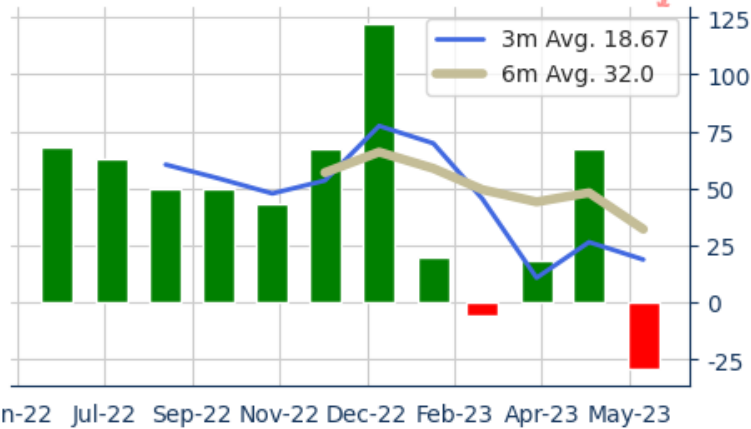
monthly change (in 000s), May: +32k



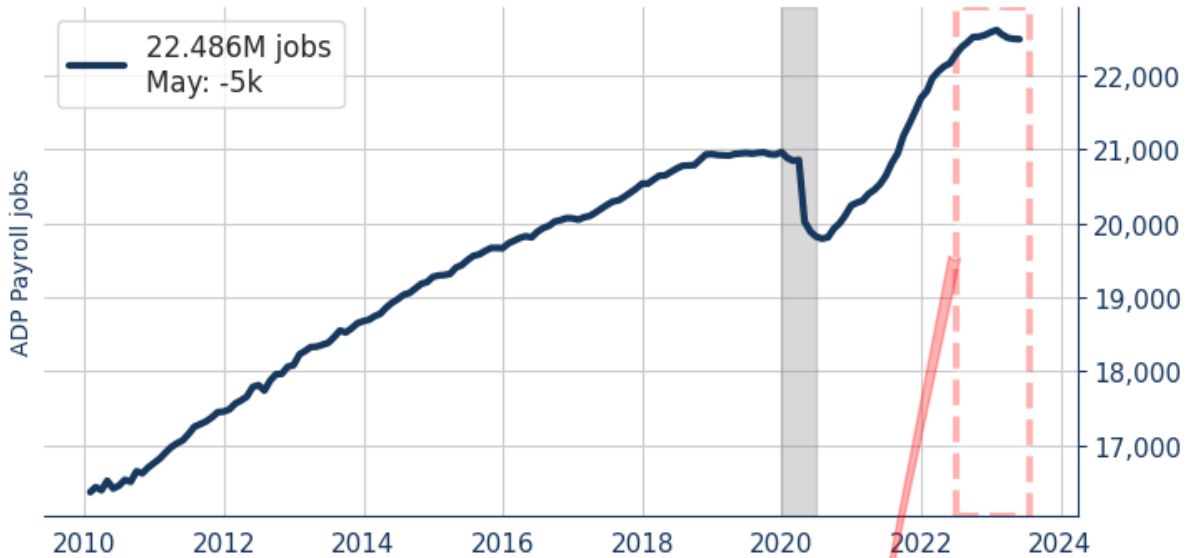
ADP - Education and health services jobs



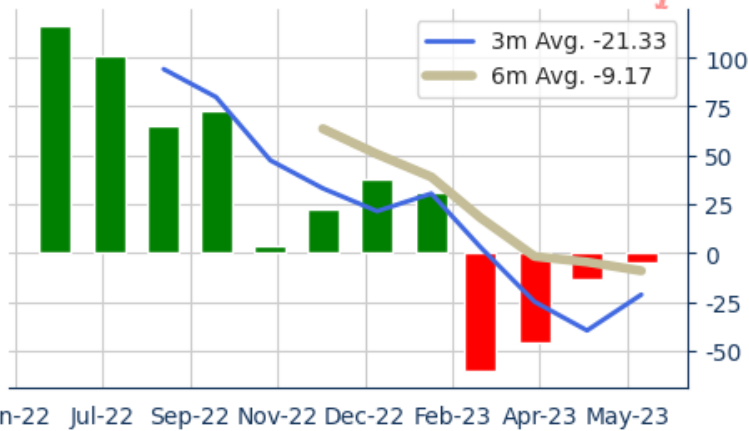
monthly change (in 000s), May: -29k



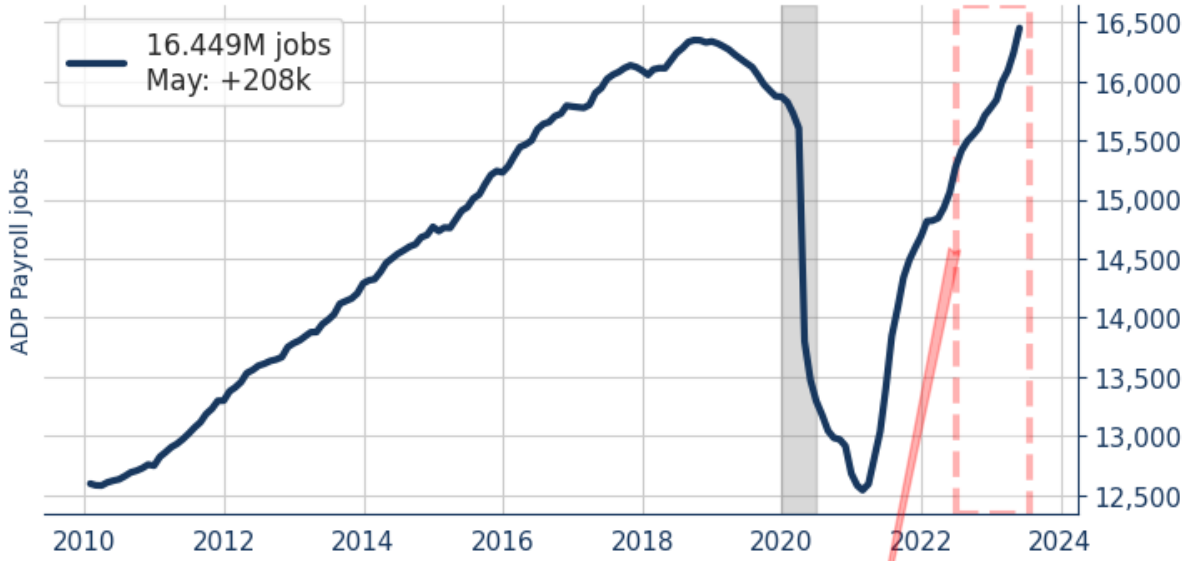
ADP - Professional and business services jobs



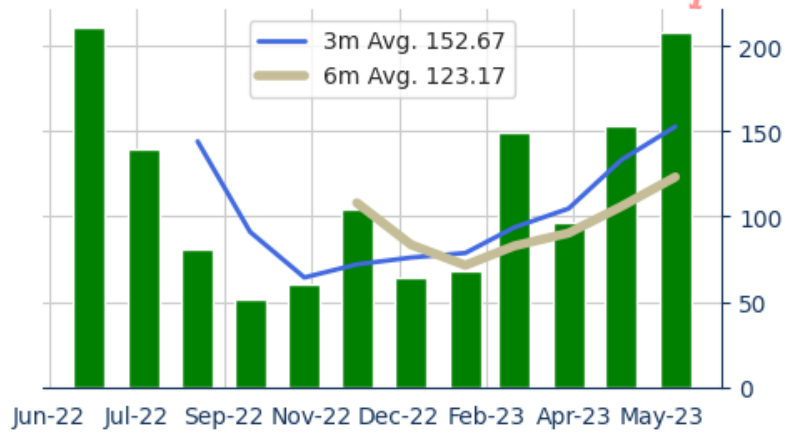
monthly change (in 000s), May: -5k



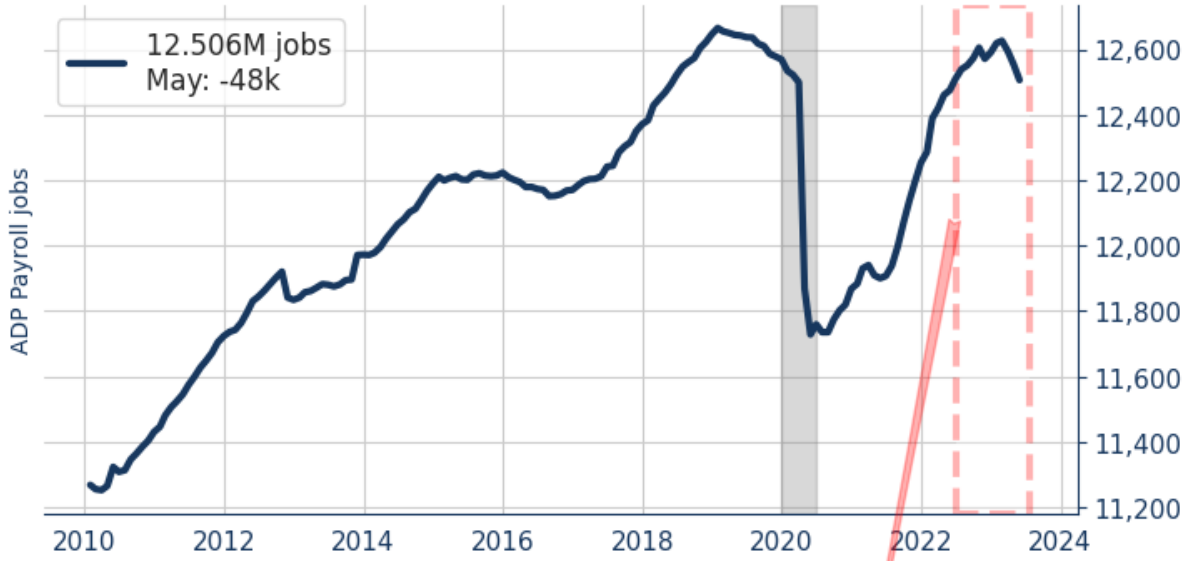
ADP - Leisure and hospitality jobs



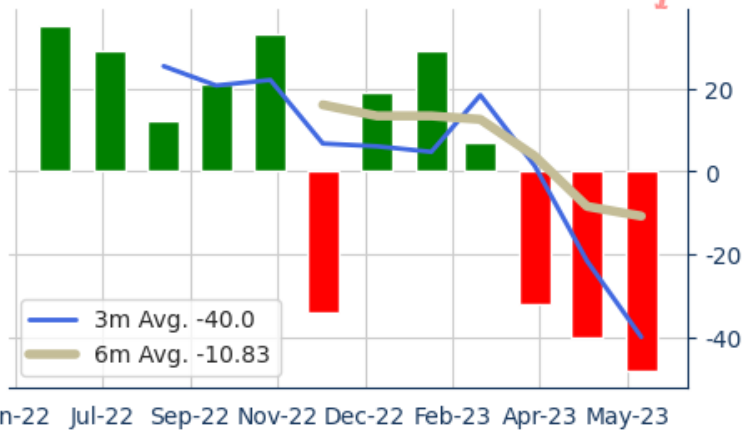
monthly change (in 000s), May: +208k



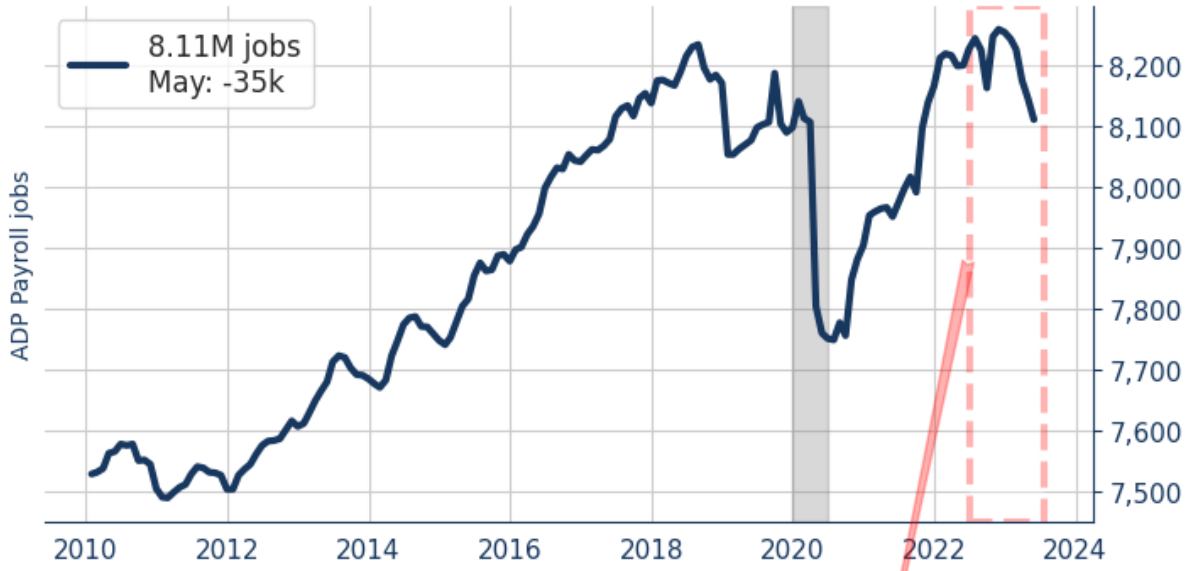
ADP - Manufacturing jobs



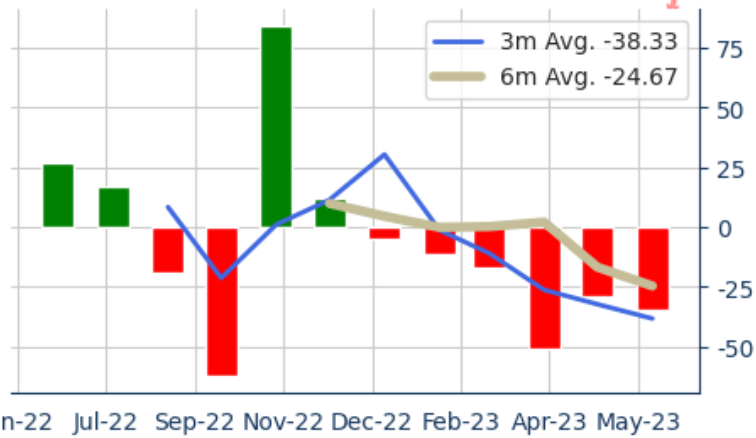
monthly change (in 000s), May: -48k



ADP - Financial activities jobs

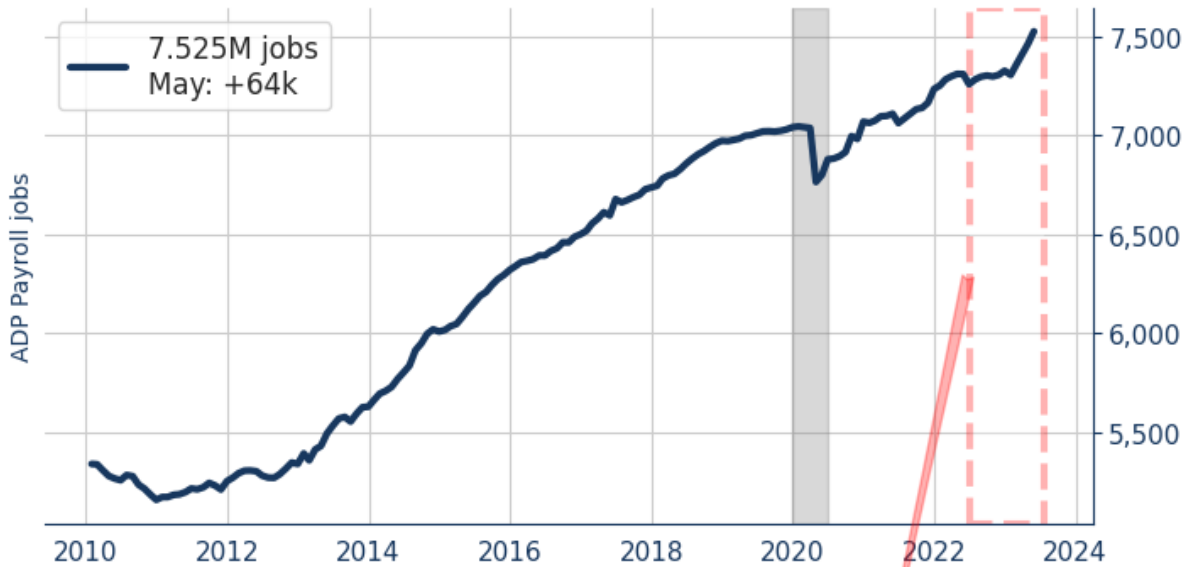


monthly change (in 000s), May: -35k

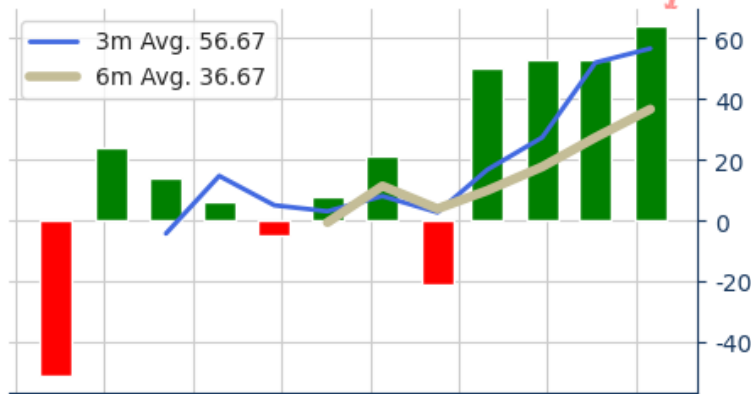


Contingent Macro Advisors 2023 source: ADP

ADP - Construction jobs



monthly change (in 000s), May: +64k



Jun-22 Jul-22 Sep-22 Nov-22 Dec-22 Feb-23 Apr-23 May-23

Contingent Macro Advisors 2023 source: ADP

ADP Payroll monthly changes	May-23	Apr-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Total Private (128,020k jobs)	278.00	291.00	237.00	224.00	265.80	306.33	77.90
Trade, transportation, and utilities (28,265k)	32.00	31.00	39.70	35.50	33.80	21.08	16.00
Education and health services (23,372k)	-29.00	67.00	18.70	32.00	44.40	59.50	15.00
Professional and business services (22,486k)	-5.00	-13.00	-21.30	-9.20	27.20	73.92	29.90
Leisure and hospitality (16,449k)	208.00	153.00	152.70	123.20	115.60	90.50	4.60

Manufacturing (12,506k)	-48.00	-40.00	-40.00	-10.80	2.60	28.00	0.20
Financial activities (8,110k)	-35.00	-29.00	-38.30	-24.70	-7.40	7.33	-1.30
Construction (7,525k)	64.00	53.00	56.70	36.70	18.00	7.67	11.60
Other services (4,506k)	12.00	16.00	11.70	10.00	17.20	19.67	0.50
Information (2,880k)	-15.00	2.00	-6.00	-8.30	-1.80	7.58	1.00
Natural resources and mining (1,921k)	94.00	51.00	63.30	39.70	16.20	-8.92	0.40

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.