

Dollar scales seven-week highs before U.S. jobs data Non Farm Payroll – Oct 06, 12:30 GMT: The usually high impact Non Farm Payroll (NFP) report will be released on Friday. This report is considered a key US economy report and can trigger sharp market movements. Asian stocks made gains on Friday and the US dollar reached a seven-week high as it takes advantage of economic optimism ahead of the Non Farm Payrolls later today. The markets are reacting to the first step where Congress passed the budget details, meaning tax reform is a step closer. Data from the U.S has been impressive this week and the focus is now turned to the Payroll report today with economists expecting 90,000 new U.S. jobs created in September, down from 156,000 in August, this is due to the Hurricane hits last month which affected over 10 percent of the population and caused over \$100 billion in damages. If the results are stronger, the chances of a Fed interest rates increase in December would be more likely; however the Fed currently takes a cautious stance. Fed member George said this week that a raise U.S. interest rates is needed to keep the economy on track to full employment and the Fed's 2-percent inflation goal, with the warning of waiting too long for another rate hike may force the Fed to raise rates aggressively later which may send the economy into recession, or lead to financial imbalances if investors respond to low rates by entering even riskier trades. Overall, today and the coming months will be very interesting for the U.S economy. Traders should be aware that any significant changes in expected data or surprises can

cause market volatility and excellent trading opportunities, client's are reminded to have enough equity available to trade the Nonfarm Payrolls safely. What to expect

Nonfarm Payrolls: U.S. Unemployment Rate:
88K Consensus; 4.4% Consensus;
156K Previous 4.4% Previous

Source: Yadix Forex Broker

At 12:30pm GMT, today the Bureau of Labor Statistics will release the NFP Report for September. Will it exceed analysts' expectations or will it disappoint? At this stage, we can only keep our eyes peeled on the news, eagerly awaiting the release. However, let us peek at what happened last month. **AUGUST NFP Review** The experts expected 180,000 jobs to flood the market. Instead, only 156,000 new jobs were created for the month, which was way weaker than their expectations and the 209,000 jobs added the previous month. Statistics were not too optimistic either, with the unemployment rate hitting 4.4%, higher from 4.3% in July, even as the active labour force availability rate remained steady at 62.9%. The number of jobless workers rising to 7.1 million could potentially have something to do with it. Meanwhile, the average hourly earnings only grew by 0.1% compared with expert expectations revolving around 0.2%. Hence, the dollar lower spikes as a reaction to the report's weakness did not surprise experts at all. However, the ranging movements of the greenback did not last long, as the American currency soon regained

its losses. Some suggest that the main driver of the USD's NFP intraday reversal was the weakness being priced in a 'buy-the-news' style, while others believe that a presumably hawkish FOMC comment later in the month. **What to Expect** Analysts' estimates for September are not too bright either. Only 85,000 new jobs are expected to be added as against a previous encouraging figure of 156,000. Hence, the unemployment rate is expected to remain at 4.4%, with average hourly earnings (m/m) revolving around 0.3% as against a previous 0.1%. The dollar is expected to move even more, with a 'solid employment growth' in September, according to Markit's Services PMI. On the lookout for a responsive, easy-to-use, rocket-fast platform, with low to no latency? TradingForex.com is your broker of choice. Sign up or log in, make sure your account is well funded, and let's turn the Forex wheel of fortune! **Source:** tradingforex.com