U.S. Nonfarm Payrolls and Unemployment Rate - The U.S. Nonfarm Payrolls and Unemployment Rate are out this coming Friday, April 06th, 2018, at 12:30 GMT Time, and are expected to cause significant volatility in the markets. An economic indicator that tends to trigger sharp market movements in the minutes leading up to its release and afterwards, the NFP is usually released by the U.S. Department of Labor on the first Friday of each month, outlining changes in the number of employees, excluding farm workers and those employed by the government, non-profit organisations and private households.

Market consensus for this week's March Nonfarm Payrolls is forecast to show that the U.S. economy added 198K jobs – a significantly lower number than the stellar previous release of 313K. The continued strength in the U.S. Labour market continues to underscore the growth in the global economy with market expectations forecasting another positive NFP release. The markets will also be closely watching the annualized average hourly earnings figure, which came in at a disappointing 2.6% in February, with many forecasts calling for March's release to improve slightly to 2.7%.

If we see a significantly bad NFP release of < 125K, coupled with an Unemployment Rate > 4.1%, the markets will most likely see USD come under downward pressure. A strong NFP release of >250K, with the Unemployment Rate below 4.0%, will likely result in USD strengthening.

As always, it will be important to note any revision from the previous month (313K) as this will impact market sentiment regardless of the current release.

Keep in mind:

- During the NFP announcement, expect high volatility, especially across USD pairs.
- Market sentiment can really affect currency movements. What traders expect from the report has as much impact as the actual released data, if not greater.
- A higher figure than the one registered during the previous month signifies an improvement in employment numbers. This, as well as the release of a higher-than-expected figure, mean an

increase in the number of jobs created and are positive for both the U.S. economy and the dollar.

- A lower figure than the one registered during the previous month, as well as a lower-than-expected figure, usually have a negative impact on the dollar as they demonstrate a drop in employment numbers.
- Remember that the sudden spike observed across the charts of many currency pairs upon the release of the NFPs is usually followed by a period during which the market tries to recover and return to its initial price levels.

Source: Fxpro Forex Broker