

Non Farm Payroll Alert . The U.S. Nonfarm Payrolls and Unemployment Rate will be released at Friday, December 7th, 2018, at 13:30 GMT. It is expected to cause significant markets volatility.

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.

What to expect this month:

Nonfarm Payrolls:
200K Consensus;
250K Previous

U.S. Unemployment Rate:
3.7% Consensus;
3.7% Previous

The forecast for November's Nonfarm Payrolls estimates that the U.S. economy generated 200K new jobs and has returned to its trending growth pace after an increase by 250K in the previous month. The U.S. labour market remains strong, although some indicators point to a loss of momentum in growth, thus market participants turn their attention to labour market statistics. The markets will also keep a close eye on the Average Hourly Earnings figures. Their growth a month earlier jumped to 3.1% YoY (the highest since 2009). It is expected now to decrease to 3.0%. Weak labour market data could reinforce expectations that the Fed took a pause in tightening its policy after the December rate hike.

Poor NFP data (below 150K), coupled with an Unemployment Rate above 3.7%, will likely trigger pressure on the USD. Strong NFP (above 250K) and an Unemployment Rate below 3.7% will likely cause the USD to rally.

As always, it is important to note that any revisions of the previous month's figure (250K) will significantly impact the market sentiment.

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](#)

[Open a real account and get Forex cashback](#)