

Macro Roundup Article

Headline: [Arguments for a Strong February Employment Report](#)

Article

Link: <https://www.apolloacademy.com/arguments-for-a-strong-february-employment-report/>

Author(s)	Torsten Sløk
Publication	Apollo
Publication Date	March 06, 2024

Tweet: Citing a 6% fiscal deficit and easing financial conditions despite the tightening cycle Torsten Sløk @apolloglobal argues the job market is likely to remain strong.

Summary: What are the arguments for a strong February employment report Financial conditions have eased dramatically since the December FOMC meeting, with the S&P 500 at all-time highs and very tight IG and HY spreads. Significant wealth effects and lower borrowing costs are a major tailwind to consumer spending and capex spending. Jobless claims remain very low, around 200,000, and the economy remains surprisingly resilient, with households and firms having locked in lower interest rates during Covid. The fiscal deficit is running at a high 6% of GDP for an expansion, driven by the CHIPS Act, IRA, and Infrastructure Act, and associated positive effects on manufacturing construction, energy investments, and infrastructure investments. The employment-to-population ratio is almost a full percentage point lower than pre-Covid, and immigration continues to be strong, suggesting there is still more upside potential to employment. Related: Monetary Policy and Financial Conditions and How Fast Can the Fed Ease? The Private Sector Response to Easier Conditions Will Be a Key Factor and Macro Outlook 2024: The Hard Part Is Over

Primary Topic: Business Cycle

Topics: Business Cycle, GDP, Monetary Policy, Op-Ed/Blog Post

Permalink: <https://www.edwardconard.com/macro-roundup/citing-a-6-fiscal-deficit-and-easing-financial-conditions-despite-the-tightening-cycle-torsten-slok-apolloglobal-argues-the-job-market-is-likely-to-remain-strong?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2024/03/Financial-Conditions-Slok.png>