

DON'T JUMP ON WALL STREET'S BANDWAGON, FOLKS

While the report of The Bureau of Labour Statistics, a division of the US Government's Labour Department, in respect of the number of jobs, created in February, was greeted with a certain amount of glee in many quarters, a forensic study of that February report indicates that little of materiality has changed – other than the US Government's pen-pushers' well wishes.

The Bureau's report, released last Friday, Eastern Standard Time, stated, inter alia:

'Nonfarm payroll employment increased by 236,000 in February,' said The Bureau's Commissioner, Ms Erica L. Groshen, 'and the unemployment rate edged down from 7.9 to 7.7 percent.'

Based on the above opening statements, up shot the key indices of the world's largest and most-influential equity markets.

After dissecting the figures in various categories of US industries and services where gains in employment had been confirmed in The Bureau's survey, then came the not-so-bullish statements from this relatively newly appointed Commissioner.

She said:

'Turning now to our survey of households, the unemployment rate edged down in February to 7.7 percent. Both the unemployment rate and the number of unemployed persons, at 12.0 million, have shown little movement, on net, since September (of 2012). In February, the labour force participation rate was little changed at 63.5 percent, and the employment-population ratio remained at 58.6 percent.'

'Among persons who were neither working nor looking for work in February, 2.6 million were classified as marginally attached to the labor force, unchanged from a year earlier. These individuals had not looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months. The number of discouraged workers, a subset of the marginally attached, edged down over the year to 885,000.'

The facts, contained in the above two paragraphs, tend to change the complexion of the Ms Groshen's opening statements, don't they?

For the past five months, according to Ms Groshen, little had changed, with the same level of unemployed people, still looking for jobs.

For people, who had been looking for jobs for at least six months, it has been confirmed by The Bureau that this sector of the workforce was unchanged and had accounted for about 40 percent of total number of people in the US, still wondering from where will come the weekly pay-checks.

The Dow Jones Industrial Average may be crashing through record-high territory, but it can slide back just as fast as it has risen.

While The Bureau was reporting its February employment findings, from Google Incorporated came the news that it was about to sack about 1,200 of its workers at Motorola Mobility LLC, Google's [telecommunications equipment](#) division.

That number of workers represents more than 10 percent of that division's total workforce.

In August, last year, Google sacked about 4,000 workers at this division in a determination to make Motorola Mobility profitable, once again.

Last year, Google paid about \$US12.50 billion for this division in order to acquire, among other things, its Android-operating mobile devices and, in addition, access to more than 17,000 patents.

Before jumping on Wall Street's bandwagon, based on just one month's statistics, it might behoove investors to wait until the dust has settled.

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