

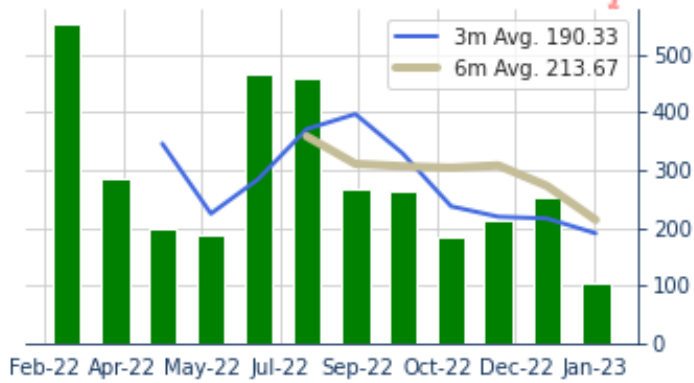
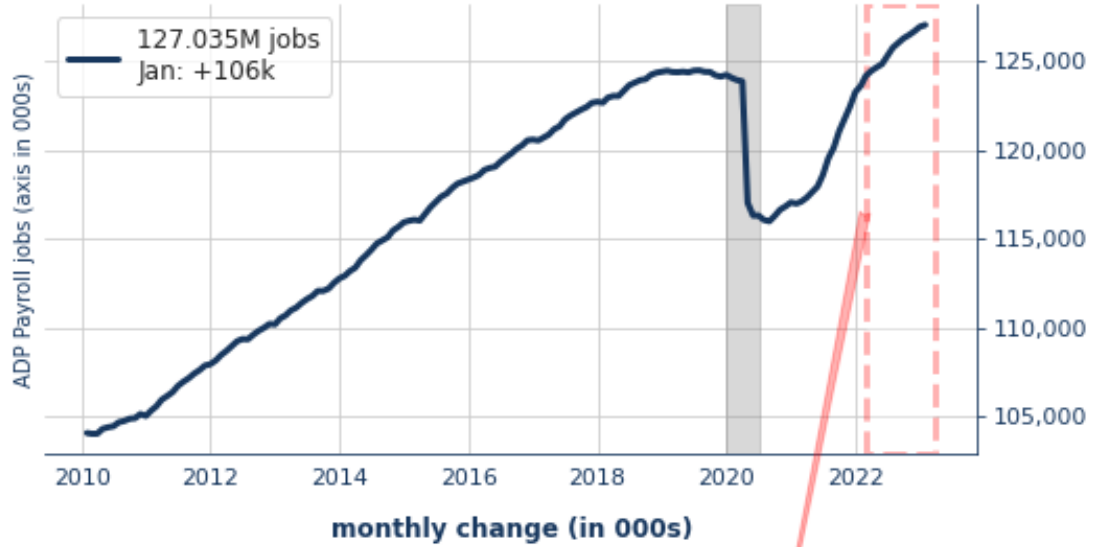
01.Feb.2023

ADP: Slower Job Gains

Bottom Line: ADP reported a notable slowdown in the pace of hiring in January with payrolls rising 106k, well below consensus estimates looking for 180k. There were modest upward revisions to prior months, but not enough to offset the surprise miss. Payrolls in the trade, transportation, and utilities sector, the largest segment of the ADP and the government datasets, FELL 41k jobs. Payrolls in education and health services rose more slowly, as did those in professional services. Leisure and hospitality saw strong gains. And finally, construction jobs fell sharply as the slowdown in residential started to take a toll. **Overall, ADP's report shows potential downside risk to estimates of 190k for Friday's national payroll data. Moreover, it offers the Federal Reserve's FOMC, which is meeting today, the first significant sign of a slowing trend rate of job creation.**

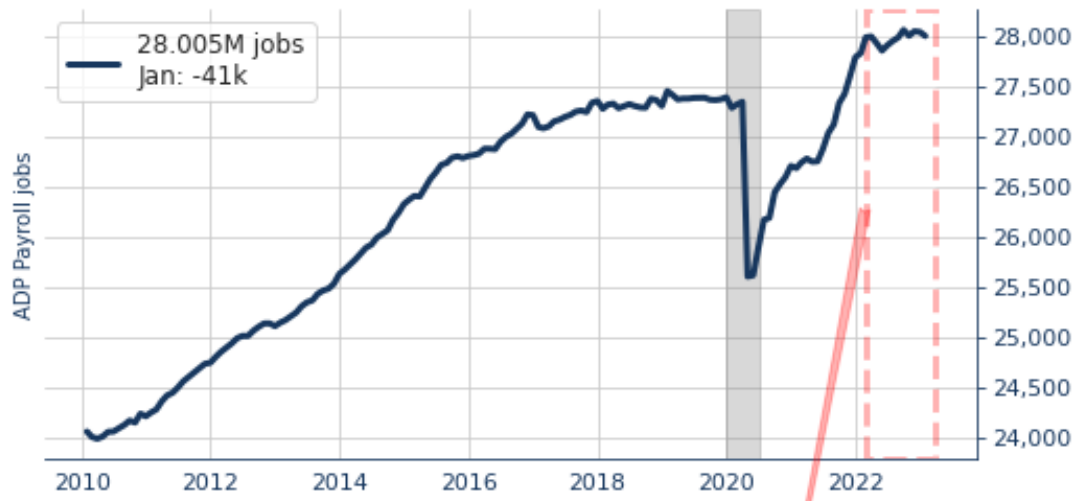
ADP - Total Private jobs

January: +106.0, consensus: +180

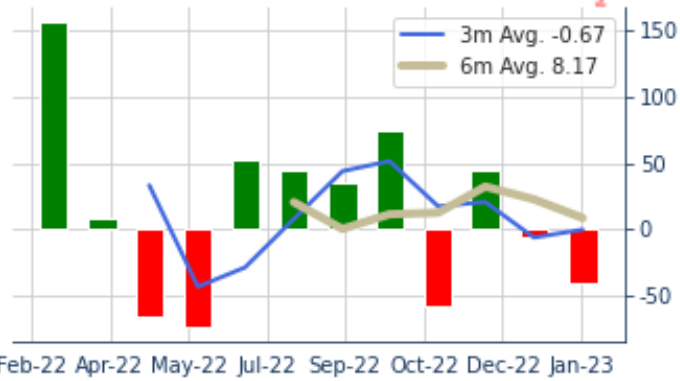


Contingent Macro Advisors 2023 source: ADP

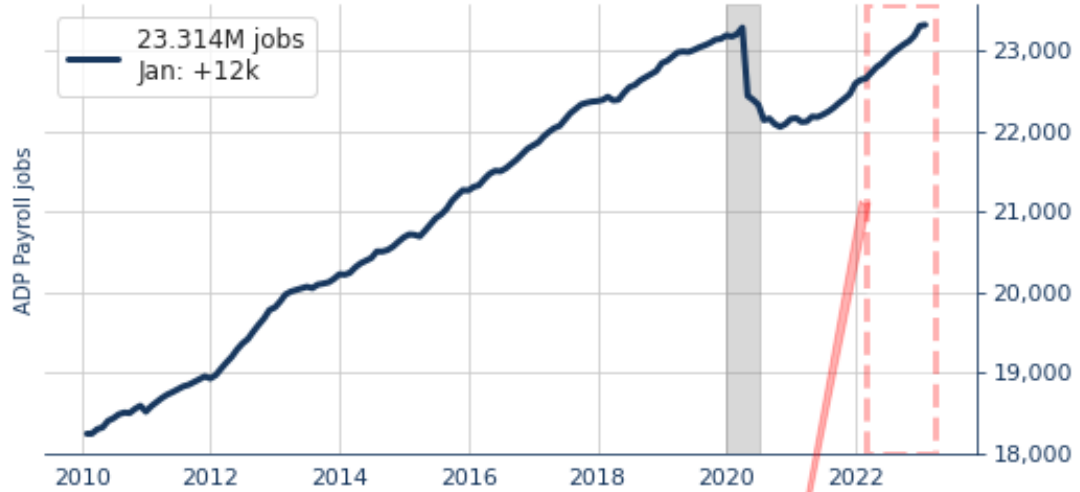
ADP - Trade, transportation, and utilities jobs



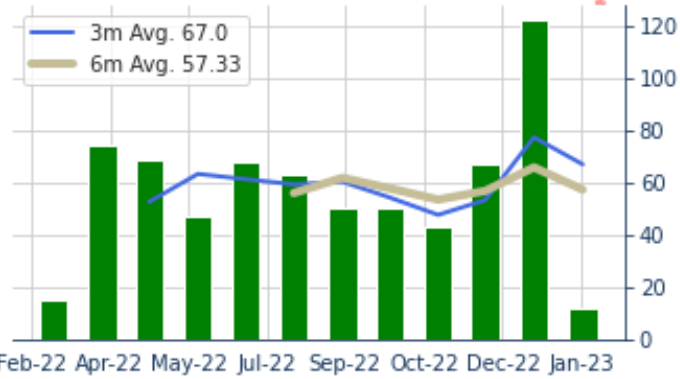
monthly change (in 000s), Jan: -41k



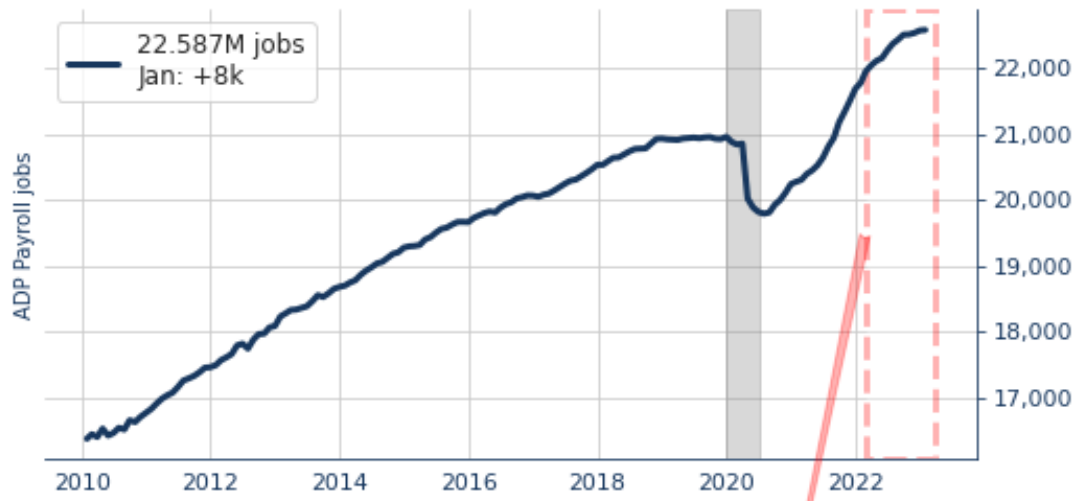
ADP - Education and health services jobs



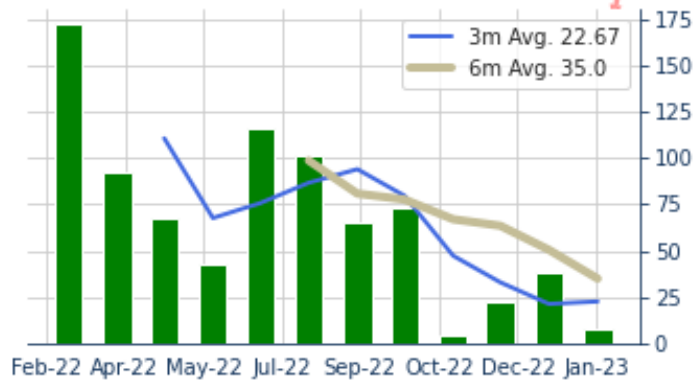
monthly change (in 000s), Jan: +12k



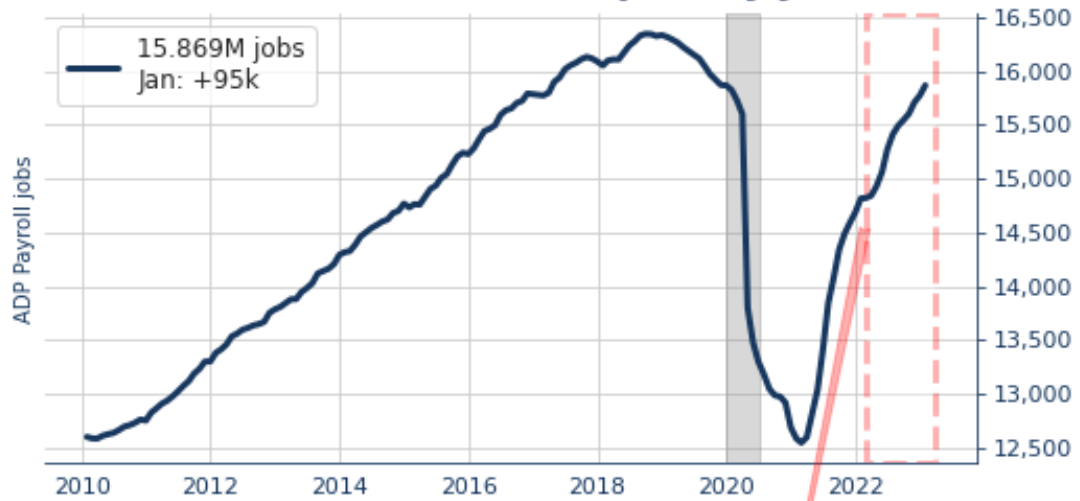
ADP - Professional and business services jobs



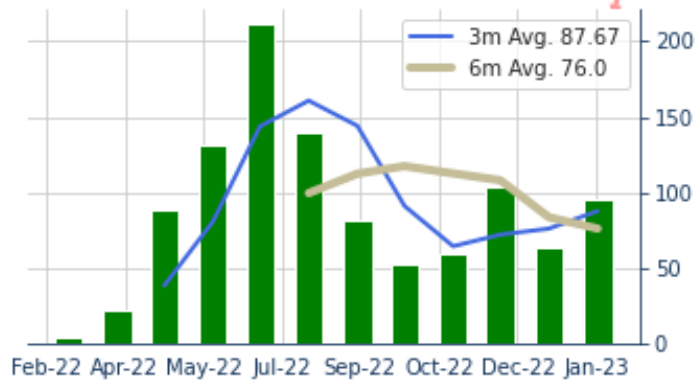
monthly change (in 000s), Jan: +8k



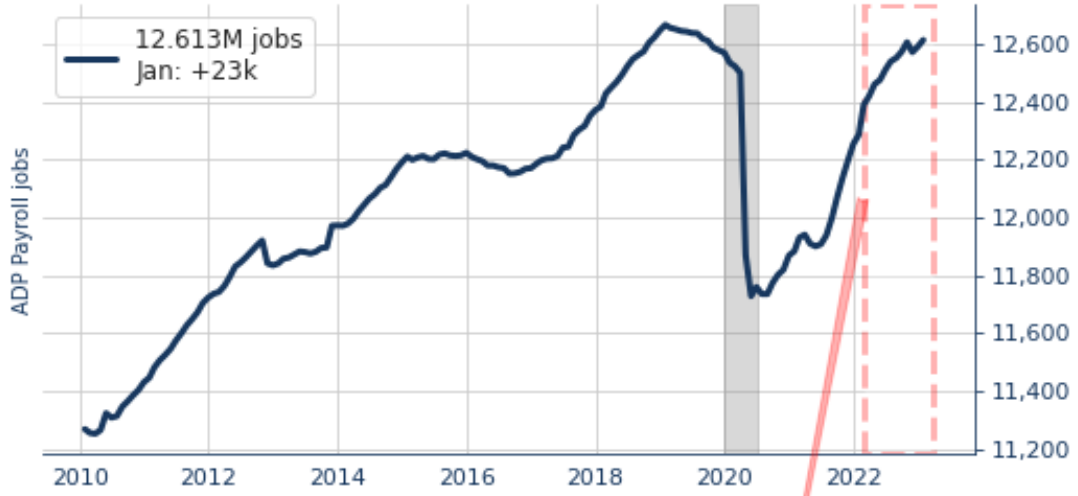
ADP - Leisure and hospitality jobs



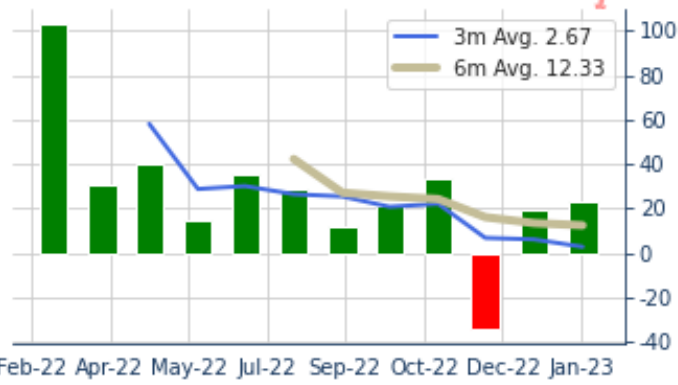
monthly change (in 000s), Jan: +95k



ADP - Manufacturing jobs



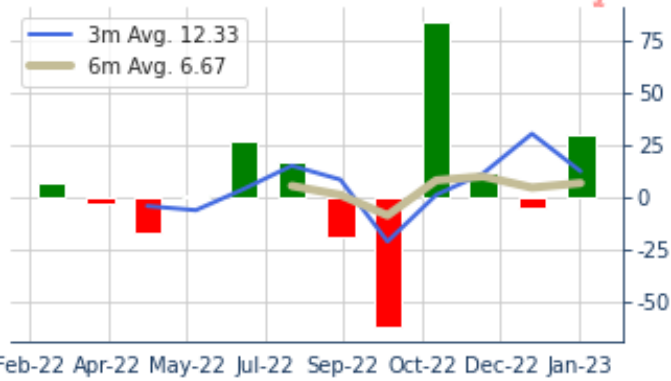
monthly change (in 000s), Jan: +23k



ADP - Financial activities jobs



monthly change (in 000s), Jan: +30k



ADP - Construction jobs



Contingent Macro Advisors 2023 source: ADP

ADP Payroll monthly changes	Jan-23	Dec-22	3m. avg.	6m. avg.	12m. avg.	2022	5y
Total Private (127,035k jobs)	106.00	253.00	190.30	213.70	285.80	306.33	73.00
Trade, transportation, and utilities (28,005k)	-41.00	-6.00	-0.70	8.20	14.20	21.08	12.10
Education and health services (23,314k)	12.00	122.00	67.00	57.30	56.70	59.50	15.50
Professional and business services (22,587k)	8.00	38.00	22.70	35.00	66.80	73.92	34.20
Leisure and hospitality (15,869k)	95.00	64.00	87.70	76.00	87.80	90.50	-3.10

Manufacturing (12,613k)	23.00	19.00	2.70	12.30	27.20	28.00	3.80
Financial activities (8,283k)	30.00	-5.00	12.30	6.70	6.00	7.33	1.80
Construction (7,302k)	-24.00	21.00	1.70	3.30	4.20	7.67	9.30
Other services (4,451k)	0.00	5.00	-2.00	14.70	18.30	19.67	0.20
Information (2,938k)	5.00	3.00	4.00	2.50	6.40	7.58	2.10
Natural resources and mining (1,673k)	-2.00	-8.00	-5.00	-2.30	-1.80	-8.92	-2.90

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.