

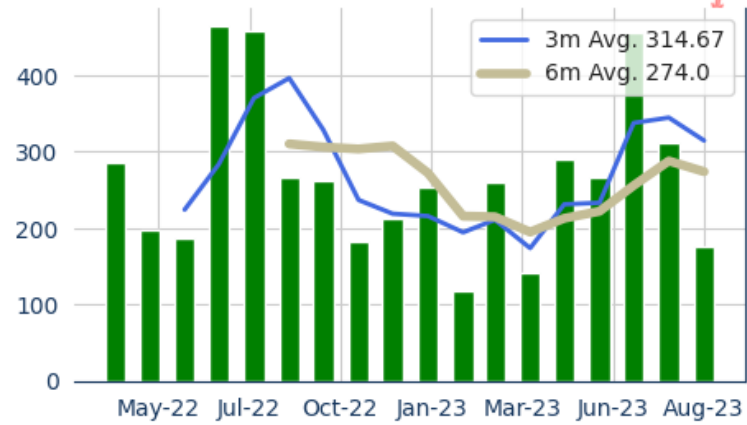
30.Aug.2023

ADP: Seasonals Mask Solid Gains

Bottom Line: ADP reported lower-than-expected hiring in August, but there were positive revisions to prior data, which had already surprised expectations four months running. This report has had a waning correlation with nonfarm payrolls in the national employment report (due Friday and expecting 170k). Moreover, the seasonal adjustments for August look to have been difficult. Jobs in the education and health services sector jumped, likely impacted by earlier school start dates that are not yet reflected in seasonal factors. Similarly, there was a sharp drop in leisure and hospitality hiring that also appeared to be influenced by misguided seasonal factors. Looking beyond the seasonal volatility, the trend in ADP data shows a labor market that is still growing moderately with only hints of cooling.

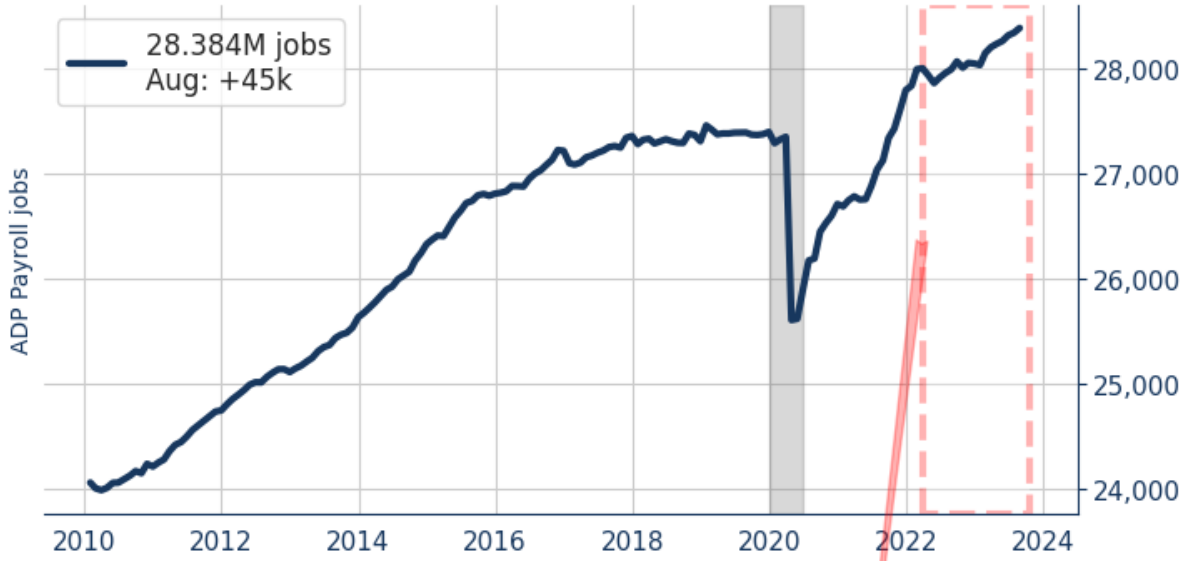
ADP - Total Private jobs

August: +177.0, consensus: +195



Contingent Macro Advisors 2023 source: ADP

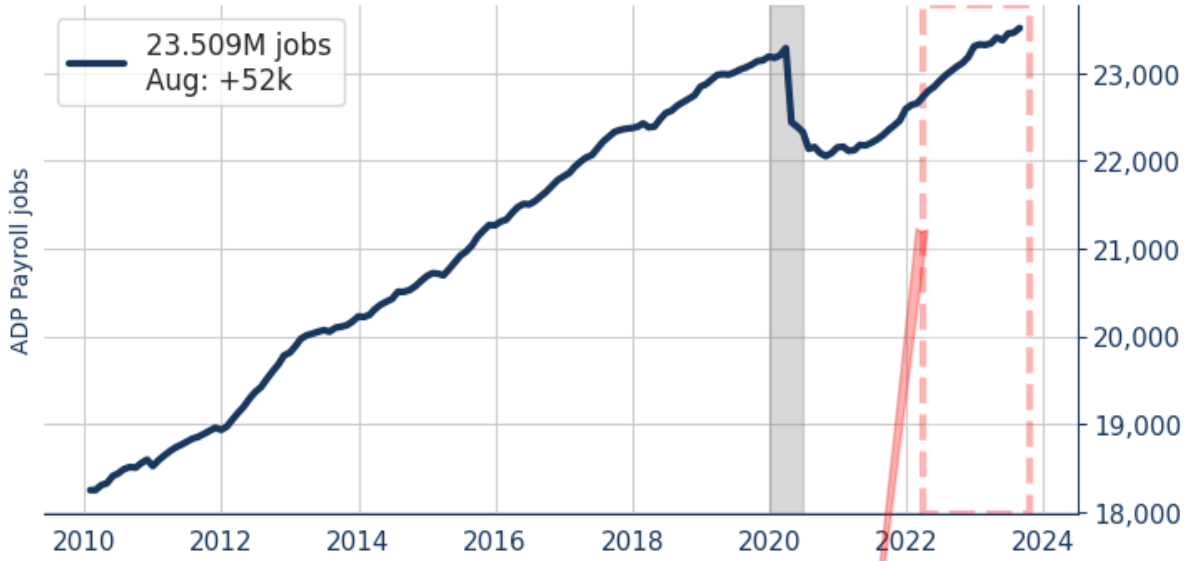
ADP - Trade, transportation, and utilities jobs



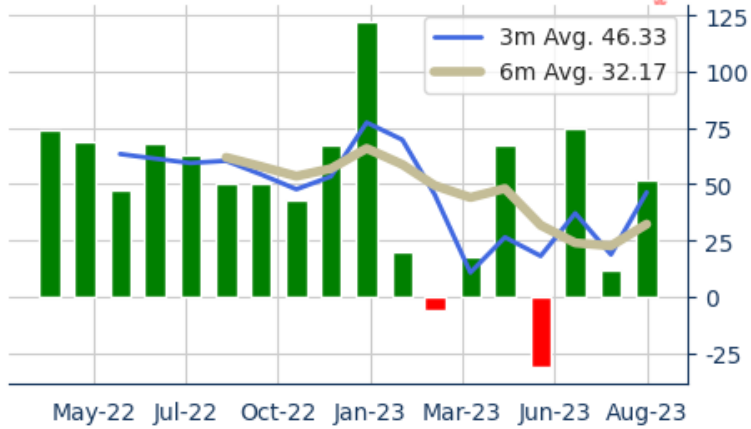
monthly change (in 000s), Aug: +45k



ADP - Education and health services jobs

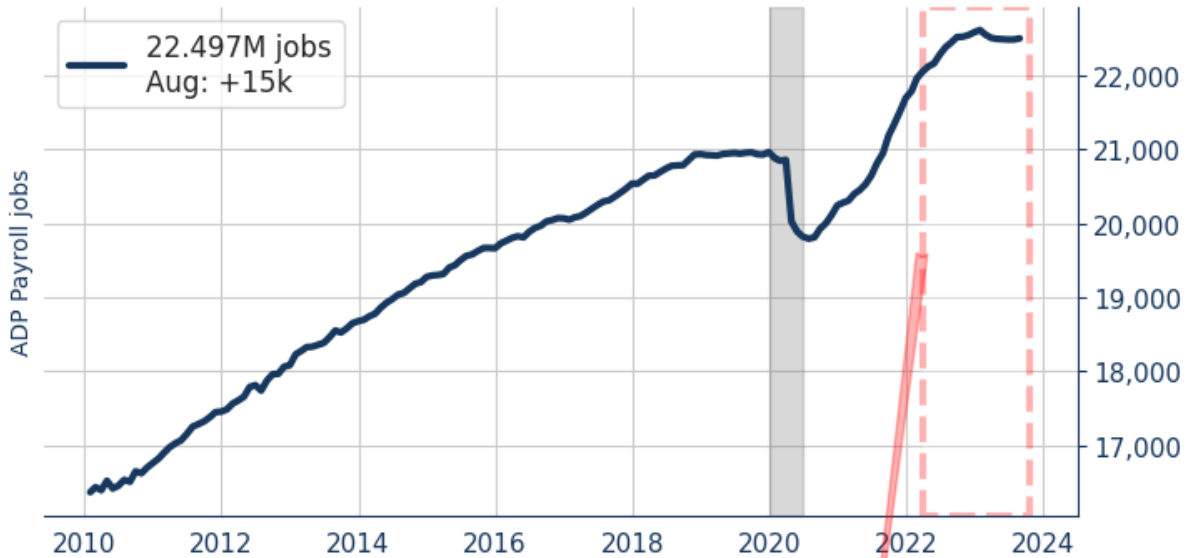


monthly change (in 000s), Aug: +52k

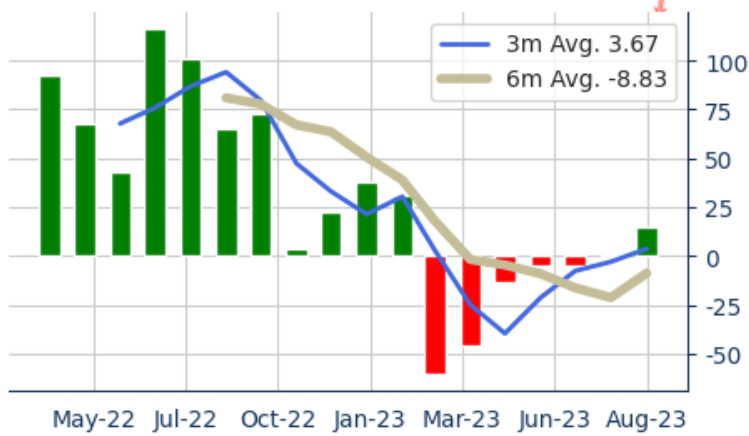


Contingent Macro Advisors 2023 source: ADP

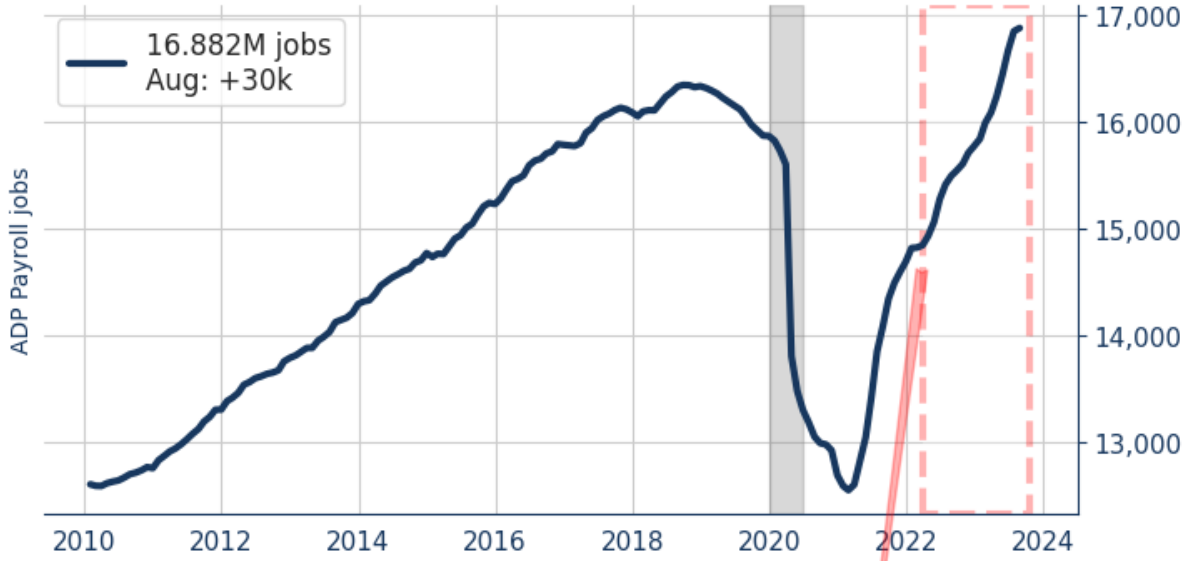
ADP - Professional and business services jobs



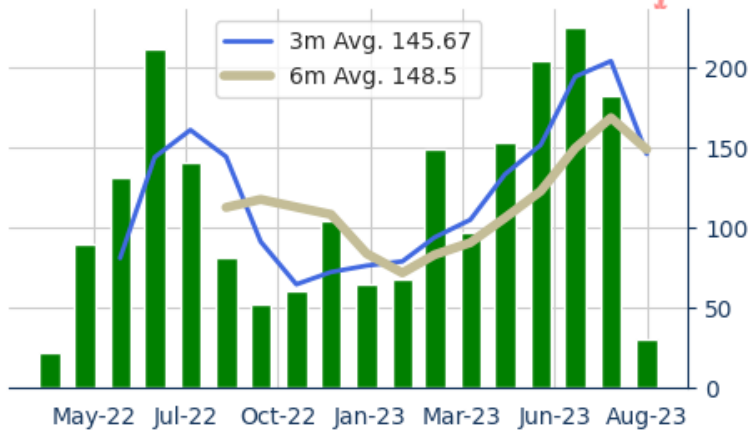
monthly change (in 000s), Aug: +15k



ADP - Leisure and hospitality jobs

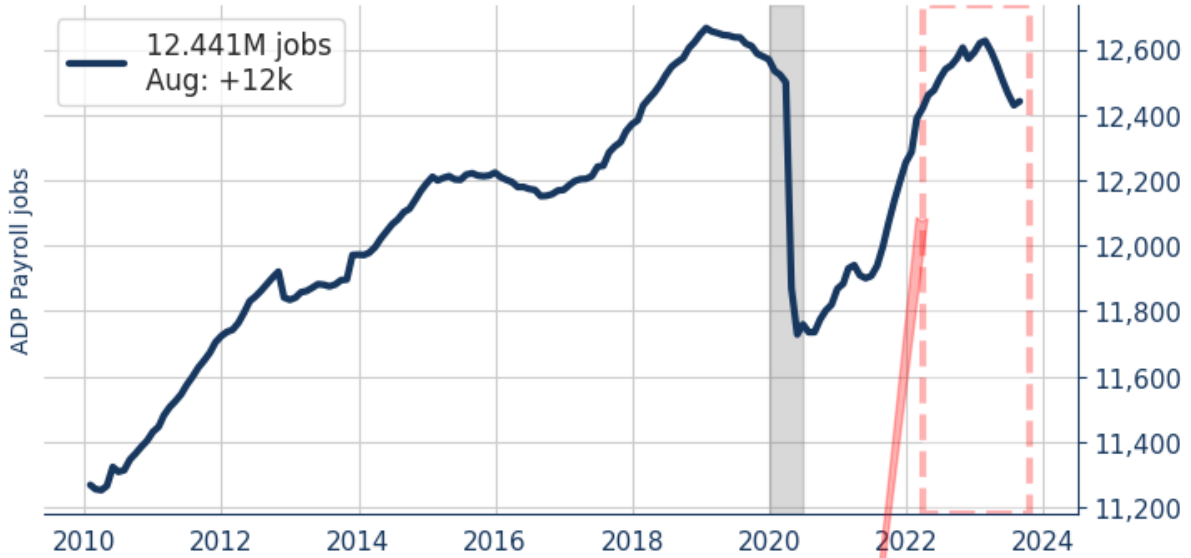


monthly change (in 000s), Aug: +30k

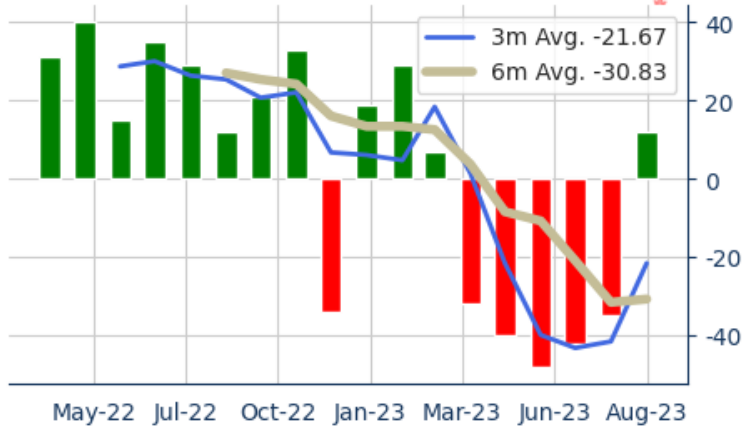


Contingent Macro Advisors 2023 source: ADP

ADP - Manufacturing jobs



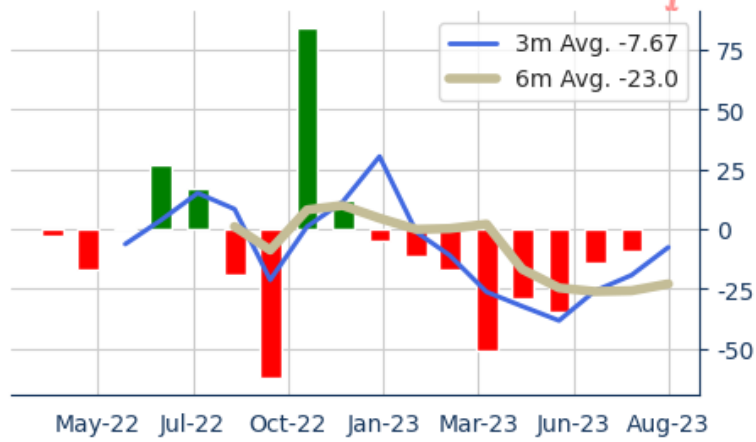
monthly change (in 000s), Aug: +12k



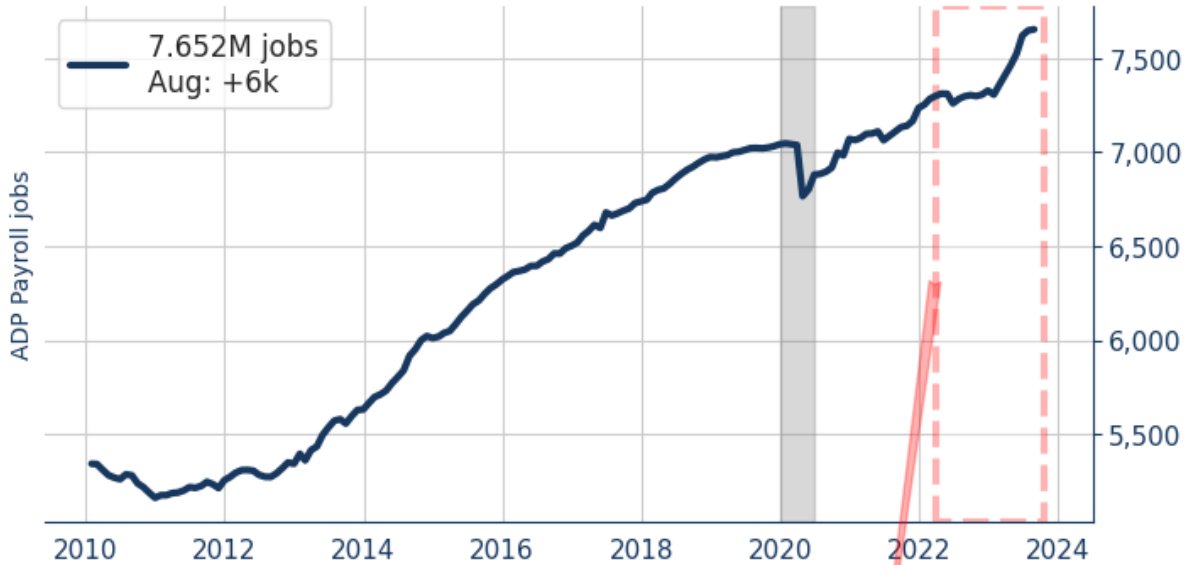
ADP - Financial activities jobs



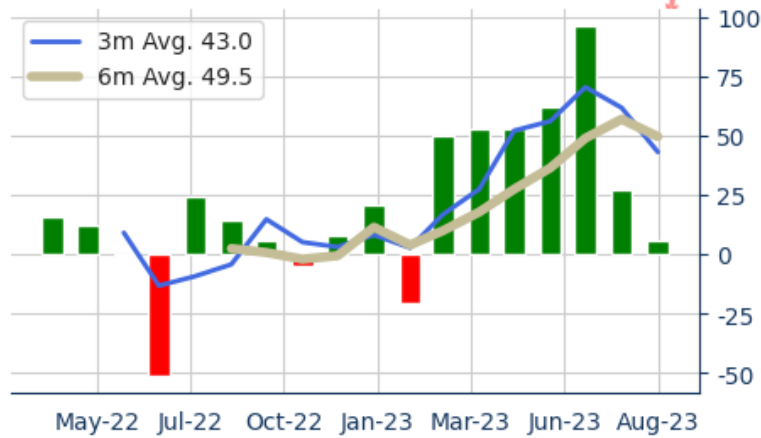
monthly change (in 000s), Aug: 0



ADP - Construction jobs



monthly change (in 000s), Aug: +6k



Contingent Macro Advisors 2023 source: ADP

ADP Payroll monthly changes	Aug-23	Jul-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Total Private (128,953k jobs)	177.00	312.00	314.70	274.00	244.50	306.33	83.80
Trade, transportation, and utilities (28,384k)	45.00	26.00	41.00	39.70	32.80	21.08	18.20
Education and health services (23,509k)	52.00	12.00	46.30	32.20	40.80	59.50	14.70
Professional and business services (22,497k)	15.00	1.00	3.70	-8.80	4.60	73.92	28.60
Leisure and hospitality (16,882k)	30.00	182.00	145.70	148.50	115.70	90.50	9.20

Manufacturing (12,441k)	12.00	-35.00	-21.70	-30.80	-9.20	28.00	-2.00
Financial activities (8,087k)	0.00	-9.00	-7.70	-23.00	-11.40	7.33	-2.40
Construction (7,652k)	6.00	27.00	43.00	49.50	29.70	7.67	12.40
Other services (4,572k)	7.00	31.00	22.00	16.80	14.40	19.67	1.50
Information (2,883k)	5.00	26.00	0.30	-2.50	-2.80	7.58	1.10
Natural resources and mining (2,046k)	5.00	51.00	42.00	52.50	30.10	-8.92	2.50

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.