



U.S. unemployment rate falls to lowest level in nearly 7 years

Financial Markets

Oil prices fell on Friday, paring earlier gains, as concerns about the global supply glut outweighed strong Chinese crude imports. Brent crude, the global benchmark, dropped 1.8% (or \$1.16) to \$64.38 a barrel, while U.S. crude fell 0.8% (or 47 cents) to \$58.47 a barrel. Oil prices already tumbled 3% on Thursday as a resurgent dollar and signals that U.S. producers would ramp up drilling if prices continued to rise erased gains from the past two sessions.

Market expectations for the first Fed rate hike in December 2015 edged lower following the U.S. government's employment report for April. Odds implied by Fed Fund futures contracts showed on Friday traders seeing a 51% chance that the Fed will move to raise interest rates by the end of the year, down from a 62% chance before the jobs report. The futures also gives a September rate hike a 22% chance.

High Income Economies

With employment increasing roughly in line with economist estimates in April, the Labor Department released a report on Friday showing that the *U.S.* unemployment rate fell to its lowest level in almost seven years. Non-farm payroll employment increased by 223,000 jobs in April compared to economist estimates for an increase of about 220,000 jobs and following the downwardly revised 85,000 job gain in March. In line with economists' expectations, the unemployment rate edged down from 5.5% in March to 5.4% in April, the lowest since May 2008.

Taiwan's exports declined at the fastest pace in more than two years in April, figures from the Ministry of Finance showed Friday. Exports plunged 11.7% (y/y) in April, faster than March's 8.9% decrease. The latest rate of decline was the sharpest since February 2013 and was led by declines in the exports of electronic products, basic metals and articles, and chemicals. Imports tumbled 22.1% in April, following a 17.8% fall in March. The visible trade surplus came in at \$4.76 billion in April, following the \$4.07 billion surplus in March.

Developing Economies

East Asia and Pacific

China's exports logged an unexpected fall on weak demand in April and imports declined more than expected adding to hopes of more economic stimulus. Exports fell 6.2% (y/y) in April in yuan terms, data from the General Administration of Customs showed Friday. Economists had forecast a 0.9% rise for April. Imports registered a decrease of 16.1%, sharper than the expected drop of 8.4%. China's trade surplus has widened more than expected in April, coming in at 210 billion.

Latin America and the Caribbean

Mexico's consumer confidence weakened unexpectedly in April, after strengthening in March, data from the statistical office INEGI showed Friday. The consumer confidence index dropped to 91.3 from 93.1 in March. In February, the score was 90.3. Economists had forecast a higher reading of 93.6 for April. All five components of the consumer confidence index declined in April.

Sub-Saharan Africa

According to the *Zimbabwe* Clothing Manufacturers Association chairman, Mr. Jeremy Youman, Zimbabwe clothing manufacturers are targeting a 400% growth in employment figures to about 40,000 people in the next five years based on the growth of exports and trading of quality products. Forecasts have been boosted by the sector's growth in exports into the region, mainly to South Africa, which this year are expected to top \$3 million following the resolution of the problems relating to the Bilateral Trade Agreement with South Africa last year.

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