

“Wisdom is oftentimes nearer when we stoop than when we soar.”

William Wordsworth

# ECOFLASH

06 FEBRUARY 23

## Daily Update USA, Eurozone, Brazil, South Africa

### US employment up above expectations in January

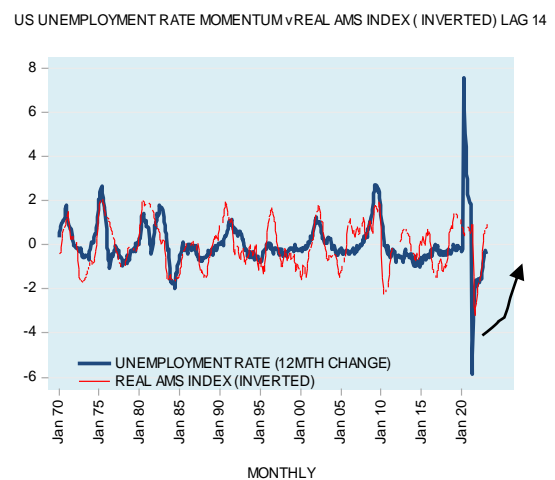
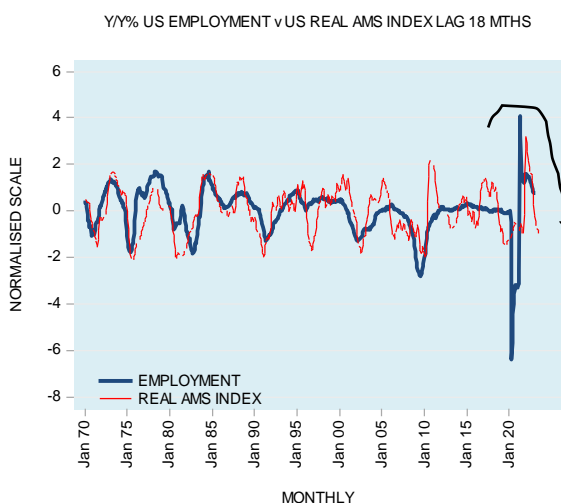
US employment increased by **517k** in January– way above the expected **185k** increase. The annual rate stood at **3.3%** against **3.2%** in December and **5%** in January last year.

The lagged momentum of the US real AMS index raises the likelihood that the momentum of employment will weaken ahead (see chart).

### US unemployment rate declined in January

The unemployment rate fell to **3.4%** in January from **3.5%** in the previous month – its lowest figure since 1969.

Using the inverted lagged yearly growth rate of the real AMS index, it is likely, that the momentum of the unemployment rate will increase in the coming months (see chart).

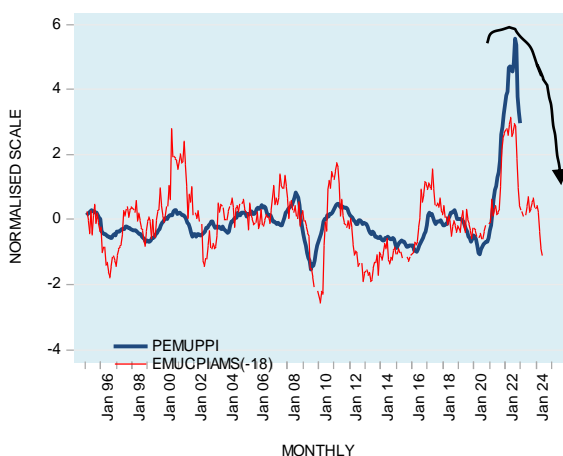


**EMU PPI momentum fell in November**

The EMU producer price index (PPI) yearly growth rate fell to **24.6%** in December from **27%** in November and **43.5%** in August last year.

Making use of the lagged momentum of the EMU AMS PPI leading index, we can suggest that the annual growth of the PPI likely to weaken further ahead (see chart).

YY% EUROZONE PPI v EU AMS PPI LEADING INDEX LAG 18 MTHS

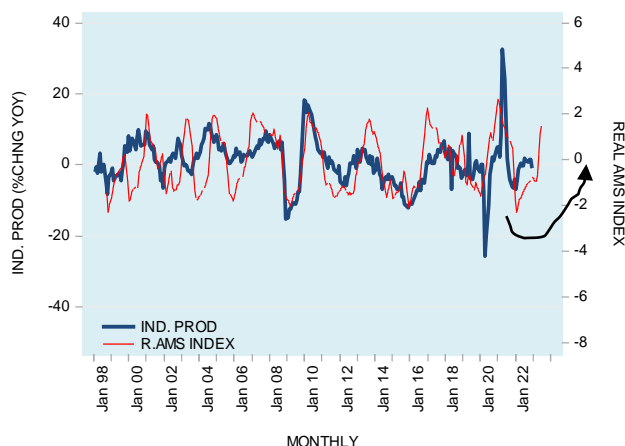


**Brazil’s industrial output yearly growth rate fell in December**

The annual rate of Brazil’s industrial output declined to **-1.1%** in December from **1.4%** in November and **1.6%** in October last year.

The lagged real AMS momentum index raises the likelihood that the momentum of industrial production is likely to strengthen ahead (see chart).

BRAZIL INDUS. PROD. v REAL AMS INDEX LAG 7 MTHS



**South Africa’s manufacturing PMI fell in January**

The PMI declined to **48.7** in January from **50.2** in the month before. In January last year it stood at **50.9**.

Following the lagged momentum of the South African AMS, we can suggest that the PMI is likely to remain subdued in the months ahead (see chart).

SOUTH AFRICA PMI MANUF. v S.AFRICA AMS LEADING INDEX LAG 6 MTHS

