MASSACHUSETTS MUNICIPAL DEPOSITORY TRUST

# Weekly Cash Commentary

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Paige M. Wilhelm
*Senior Vice President*
*Senior Portfolio Manager*

## Hiring back on trend

The labor market report roared back in March after its low in February, with 196,000 new jobs last month. After all was said and done, even with the poor February figure of 33,000 (revised), the first quarter averaged a solid monthly gain of 180,000 new hires, itself near the recent average for quarters. That eases a lot of minds, and might even have investors thinking the Federal Reserve might hike rates this year, after all. But much more surely will happen in the next six months to clinch or dismiss that.

The unemployment rate remained at 3.8%, but wage growth slowed (March's average hourly earnings growth was 0.1% compared to 0.4% in February). On the negative side, temp jobs lost ground and a measure of private-sector hiring plunged. But, taken in total, the labor market seems fine, after all the noise of the last quarter, from the partial government shutdown to poor weather. The markets can now hear the sounds of spring with less concern about an imminent recession.

Last week the 1-, 3- and 6-month London interbank offered rates (Libor) slipped, ending at 2.47%, 2.59% and 2.65, respectively.