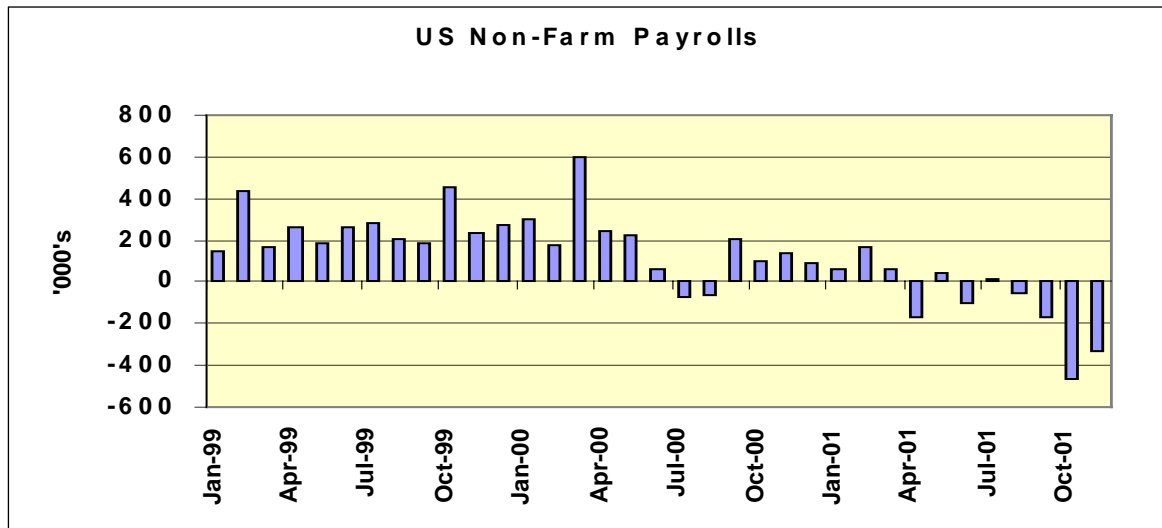




**Another Sharp Drop in US Employment in November**

Job losses in the US were far greater than expected in November with the payroll falling 331,000. In addition to the very weak November report, October's number was revised up from 415,000 to 468,000. Since September almost one million jobs have been shed in the US. Job losses were broad based, although manufacturing workers continued to bear the brunt of the decline eliminating a further 163,000 jobs. The only private industry not to shed jobs was the financial services sector, which is still benefiting from the refinancing boom. The unemployment rate increased by 0.3% basis points to 5.7%. The unemployment rate is now up 1.7% over the past 12 months and is likely to continue to rise in coming months as hiring plans weaken. Wage growth remains solid, however, increasing 0.35% over the month, although the year-over-year trend indicates a decline. Wage growth fell below 4% for the first time since October 2000. While the report did little to dispel hopes for a sharp recovery next year, the market is once again pricing in a 0.25% cut at next week's Fed meeting.

'000s	Nov	Oct	Sept	Aug	July	June	May
<b>Change in Non-Farm Payrolls</b>	<b>-331</b>	<b>-468</b>	<b>-165</b>	<b>-54</b>	<b>18</b>	<b>-99</b>	<b>41</b>
Total Private	-325	-487	-141	-127	-86	-157	18
Goods-Producing	-167	-141	-75	-159	-64	-138	-97
<b>Construction</b>	<b>-2</b>	<b>-17</b>	<b>10</b>	<b>-6</b>	<b>3</b>	<b>-17</b>	<b>29</b>
<b>Manufacturing</b>	<b>-163</b>	<b>-124</b>	<b>-85</b>	<b>-155</b>	<b>-69</b>	<b>-122</b>	<b>-130</b>
Service Producing	-164	-327	-80	105	82	39	138
Transport/ Utilities	-58	-53	-12	-26	-10	-12	11
Wholesale Trade	-25	-17	-22	-7	-5	-16	-15
Retail	-14	-119	-47	-23	45	15	16
Finance, Insurance & Real Estate	9	-6	10	5	-13	-13	18
<b>Services</b>	<b>-70</b>	<b>-151</b>	<b>5</b>	<b>83</b>	<b>-39</b>	<b>7</b>	<b>85</b>
Government	-6	19	-24	73	104	58	23
Hourly Earnings (Dollars)	14.52	14.47	14.45	14.4	14.34	14.31	14.24
<b>Unemployment Rate (%)</b>	<b>5.7</b>	<b>5.4</b>	<b>4.9</b>	<b>4.9</b>	<b>4.5</b>	<b>4.5</b>	<b>4.4</b>



Geraldine Concagh, 07 December 2001