

Nonfarm payrolls release due 212,000 jobs expected in March

The monthly U.S. labor market report due later Friday, a release that could make or break the case for a first Federal Reserve rate cut in June.

The U.S. economy is expected to have added 212,000 jobs in March, when the report is released at 08:30 ET (12:30 GMT), slowing from the 275,000 jobs added in February.

The report is also expected to show the unemployment rate remaining below 4% for 26 straight months, the longest such stretch since the late 1960s, while average hourly earnings are expected to have gained 0.3%, up from the prior month's 0.1% jump.

The Fed stuck to its view of three rate cuts this year at its March meeting, raising hopes for a June cut, but a number of officials, including Chair Jerome Powell, have recently stressed the need for the U.S. central bank to continue to study more data before a rate-cutting cycle is started.

Strong economic numbers, including surprise growth in U.S. manufacturing at the start of the week, have reined in expectations that interest rate cuts will start as soon as June.

Minneapolis Fed President Neel Kashkari added to the doubts on Thursday, stating that if inflation continues to stall, an interest rate reduction may not be required at all this year.

With this in mind, all eyes are on the report, given optimism around a rate reduction has been a primary driver for gains in most developed market equities since late 2023.

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