

DAILY GLOBAL COMMENTARY

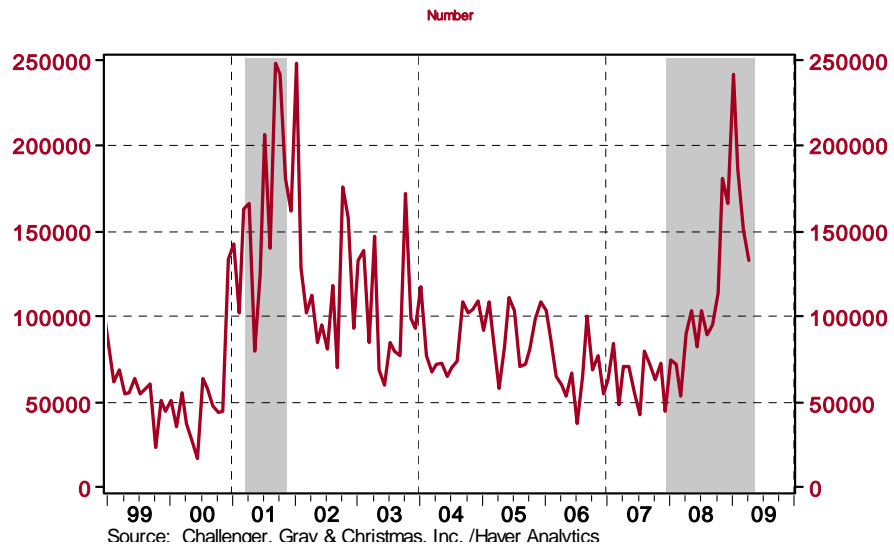
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**More Encouraging News about Employment Conditions**  
May 6, 2009

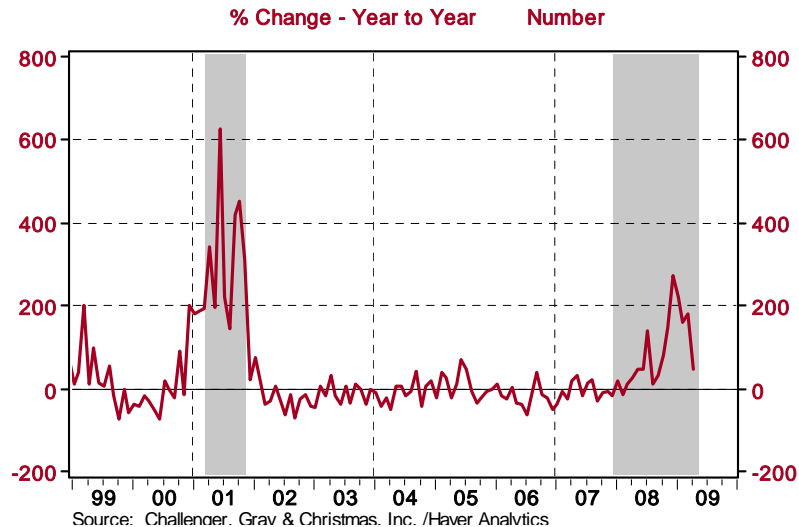
The Challenger report on job cuts for the month of April showed announced layoffs of 132,590, down from 150,411 in the prior month. The April decline is the fourth monthly drop in the last six months (see chart 1). The level of job layoffs is consistent with that seen in the 2001 recession, but the fact that fewer jobs are being cut is encouraging.

Chart 1  
Challenger, Gray & Christmas: Announced Job Cuts, Total



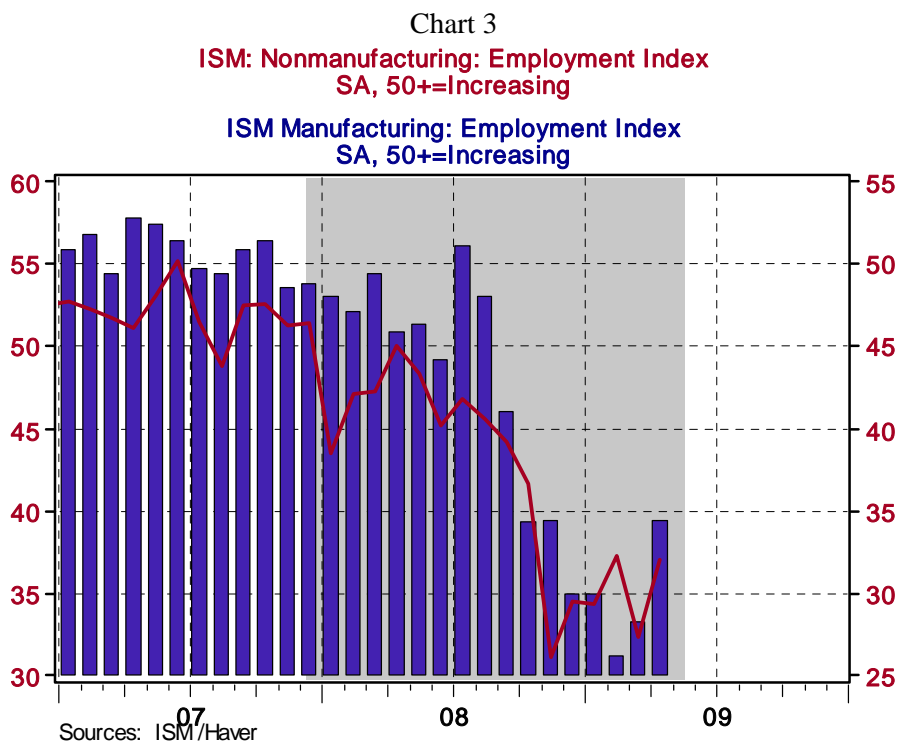
Layoffs are up 47.3% from a year ago (see chart 2), which points to a decelerating trend that began after the peak in December 2008.

Chart 2  
Challenger, Gray & Christmas: Announced Job Cuts, Total



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The employment index of the ISM manufacturing and non-manufacturing surveys both show that the number of jobs lost were smaller in April compared with March and the April readings are inching toward the cut-off mark of 50.0 which denotes an increase in employment.



The employment report for April will be published on May 8. A 575,000 reduction in payroll employment (after a loss of 633,000 jobs in March) and an 8.8% unemployment rate is our prediction for April. The consensus forecast is a reduction in payrolls of 620,000 and an unemployment rate of 8.9% compared with an 8.5% jobless rate in March.

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