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## US August jobs data misses forecasts, adds to expectations Federal Reserve will cut rates again

The latest US jobs data missed Wall Street forecasts on Friday, adding to expectations that the Federal Reserve will cut rates again later this month, having made their first reduction in over ten years in August.

The US economy added just 130,000 new jobs in August, the smallest increase in three months, providing further evidence that hiring has slowed amid an escalating trade dispute with China.

The increase in new jobs fell well short of the 170,000 forecast of economists, however, the unemployment rate was unchanged at 3.7%.

The average hourly wage increased by 11 cents, or 0.4%, to \$28.11 in August, however, the 12 month hourly wage rate slipped to 3.2% from 3.3%, while the hours worked each week rose 0.1 hour to 34.4.

The US Labor department also revised the increase in new jobs in July down to 159,000 from 164,000, while June's gain was reduced to 178,000 from 193,000.

Before the August non-farm payrolls, pre-market trading on Wall Street pointed to a higher opening, but stock futures pared their gains after the weak data in spite of heightened expectations that the Fed will sanction another 25 basis point cut in US interest rates this month - with that reduction largely priced into markets.

Naeem Aslam, chief market analyst at TF Global Markets (UK) commented: "The job market is still soft and this was the message in the economic data released today. This pushed the gold price higher."

He added: "There is no doubt that traders have been active in taking some profit off the table in the past couple of days. The fact is that the on going trade war has impacted the economy and we are still in the midst of all geopolitical tensions.

"The Fed will be forced to do more if the trade war continues and this is why the upcoming speech from the Fed chairman is going to be more important. Especially, what is his view about the President who took things on twitter again to blame him for not supporting the economy."

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