Growth outpaces world economy

Jobs report latest good news for US investors

By John Waggoner
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The October jobs report isn't robust, but the U.S. is still growing faster than most other developed nations and that means money will continue to flow into U.S. stocks and bonds.

The U.S. added 171,000 jobs in October, according to the Bureau of Labor Statistics, far above the 125,000 economists expected. The private sector added 184,000 jobs. The unemployment rate ticked up to 7.9 percent.

The report may turn out to be even better: It's frequently revised, and those revisions in the past few months have been upward, said High Frequency Economics.

Payroll gains have averaged 143,000 the past 18 months, rather than the average 120,000 reported in the first, frequently revised estimates.

"It's a pretty sold report in the context of where we've been recently," said Dave MacEwen, fixed income CIO of American Century. "But it's not really strong enough growth to significantly improve the unemployment rate."

And as bad as things are here, they're worse in Europe. Unemployment in the Eurozone — the 17 nations that use the euro as currency — was 11.6 percent in September, the latest data available. The German unemployment rate in September was 6.5 percent, but going in the wrong direction.