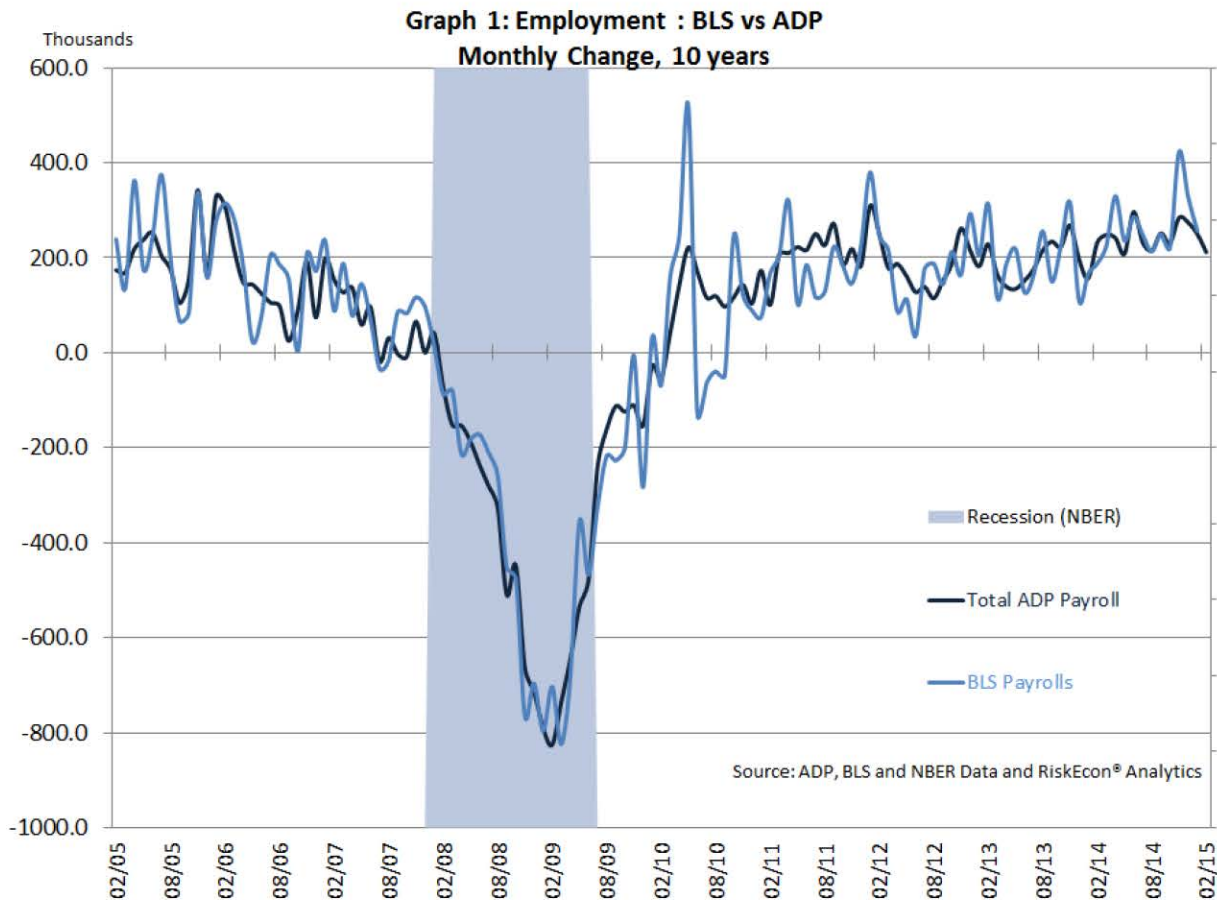




ADP's February employment report came in at 212,000, quite close to current estimates for Friday's upcoming Non-Farm Payroll Employment report (i.e. based on BLS data).

In general, ADP data has tended to exhibit less weather-related volatility (relative to BLS Employment data) since the inception of these data series in 1991. A key question for Friday's NFP report is the extent to which the snowstorms in the northeast and midwest may have adversely affected employment. It is reasonable to expect a weather-related slowing in employment of 20-30,000, over and above what is incorporated by routine seasonal adjustment.

Graph 1 below compares ADP vs BLS employment data over the last 10 years, and clearly demonstrates that the ADP data show less volatility in general during this period.



Note: For applicable disclosures, please refer to the Disclosures section located on the final page of this report.

Powered by RiskEcon® Analytics. ©Copyright Risk Economics, Inc. 2009-2015. All rights reserved.

No duplication or secondary distribution without express permission.

Please visit our website at www.riskecon.com or contact skappagoda@risk-econ.com with any questions.

Risk Economics Report on the U.S. Economy
 ADP Employment Report: February 2015
 Release date:03/04/2015



Detailed data shown below in Table 1 indicate that 3-month average trend in overall ADP employment is about 5,000 per month slower than the 6-month average. However, there is significant continued improvement in large (>500 employees) services companies, with the 3-month average 12,000 higher than the 6-month average.

Table 1: Detailed Data Release

ADP Employment Report	Level (Thousands)				Average Level (Thousands)			Annual Average Level (Thousands)				
	Feb	Jan	Dec	Nov	3Mo	6Mo	12Mo	2014	2013	2012	2011	2010
Total ADP Payroll	211.8	250.5	274.6	284.3	245.6	250.6	245.4	239.3	192.9	190.5	205.6	99.4
BLS Payrolls	#N/A	257.0	329.0	423.0	#N/A	#N/A	#N/A	259.7	199.0	188.1	173.3	88.8
ADP												
Small Firms (1-49)	93.7	97.5	122.9	128.4	104.7	110.8	106.0	106.5	69.8	83.6	84.4	5.6
Medium Sized Firms (50-499)	62.5	106.2	84.7	94.2	84.5	88.1	89.3	94.8	84.0	71.0	66.2	54.6
Large Firms (>500)	55.6	46.8	67.0	61.7	56.4	51.7	50.1	38.0	39.1	35.9	55.0	39.3
Goods												
Small (1-49)	31.2	44.8	59.2	48.7	45.1	49.0	42.2	41.4	31.9	27.9	39.1	0.1
Medium (50-499)	7.9	6.8	13.3	8.1	9.3	8.0	6.4	6.7	6.3	4.8	2.3	(1.2)
Large (>500)	13.8	16.4	17.9	15.2	16.0	14.8	13.6	13.9	15.3	17.1	14.6	1.8
Services	2.3	14.5	22.1	19.4	13.0	20.3	15.2	13.6	5.9	5.0	20.1	5.1
Small (1-49)	180.6	205.7	215.4	235.5	200.6	201.6	203.2	198.0	161.0	162.6	166.5	99.3
Medium (50-499)	47.2	41.2	53.5	55.9	47.3	48.3	45.4	45.1	29.5	32.7	31.6	10.6
Large (>500)	48.7	89.9	66.8	79.0	68.5	73.3	75.8	81.0	68.7	53.9	51.6	52.8
ADP Manufacturing	53.3	32.3	44.9	42.3	43.5	31.4	34.9	24.4	33.2	30.9	34.9	34.2
BLS Manufacturing employment	2.7	15.3	26.1	19.4	14.7	17.5	14.4	13.7	11.4	12.8	20.4	8.5
	#N/A	22.0	26.0	45.0	#N/A	#N/A	#N/A	18.5	10.4	13.5	17.0	10.0

Source: ADP, BLS and RiskEcon® Analytics

Additional Notes:

- All data are seasonally adjusted unless otherwise indicated.
- The ADP National Employment Report® is published monthly by the ADP Research Institute® and provides a monthly snapshot of U.S. nonfarm private sector employment based on actual transactional payroll data.
- All size data included in the ADP National Employment Report is based on size of business, defined as an entity with a unique Employer Identification Number, which may include multiple establishments. Sum of components may not equal total due to rounding.

As always, questions and comments are welcome.

Samantha Kappagoda

Risk Economics, Inc.

Note: For applicable disclosures, please refer to the Disclosures section located on the final page of this report.

Powered by RiskEcon® Analytics. ©Copyright Risk Economics, Inc. 2009-2015. All rights reserved.

No duplication or secondary distribution without express permission.

Please visit our website at www.riskecon.com or contact skappagoda@risk-econ.com with any questions.

Risk Economics Report on the U.S. Economy

ADP Employment Report: February 2015

Release date:03/04/2015



Disclosures

The economic analysis and views expressed in this report (*Report on the US Economy*) are solely opinions of the author(s), and do not represent the views or opinions of Risk Economics, Inc. (Risk Economics, RiskEcon or RiskEcon Analytics), or any other principals or employees of Risk Economics. The economic analysis and commentary comprising this document and published on this site (www.riskecon.com) are for informational purposes only. Neither Risk Economics, its principals, nor the author(s) shall be held liable for the use of any commentary, economic analysis, data, or the document itself.

Risk Economics makes every effort to use reliable, comprehensive, publicly available information in its reports and economic analysis contained therein, but makes no representation that it is accurate or complete. Where certain assumptions have been employed in conducting this analysis, any changes to those assumptions may have a material impact on the economic analysis and related commentary. Neither Risk Economics, its principals and employees, nor the author(s) of this report are obligated in any way to inform any recipient, regarding any changes in the underlying assumptions employed in the analysis. Furthermore, research will initiate, update, revise or cease coverage solely at the discretion of Risk Economics.

This document and the economic analysis and commentary herein are published by Risk Economics as part of its research function, and are published solely as general background information. This analysis and exposition within the report is not intended to constitute financial or investment advice, and should not be construed as such, as it does not consider specific investment objectives, financial situation or particular needs of any specific recipient. Therefore, under no circumstances whatsoever does the author(s), Risk Economics or its principals advocate, recommend or otherwise advise that the document, the analysis or related commentary, or any of the information articulated therein be employed for any of the following purposes:

- (i) valuation or accounting purposes;
- (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or
- (iii) to measure the performance of any financial instrument.

Furthermore, it should be noted that the report, the economic analysis and commentary published therein, as well as any view, opinions or exposition of the author(s) are not intended to, and do not constitute in any way, financial advice, nor investment recommendations. Nothing in this document constitutes a representation that any investment strategy or recommendation may be suitable or appropriate to any individual investor's circumstances. Hence, by receiving this document and the information, any recipient(s) will be deemed to represent and warrant to Risk Economics that they will neither use this document, nor any of the information, nor otherwise rely upon this document or any of the information, analysis or commentary published herein for any purposes as described above.

Note: For applicable disclosures, please refer to the Disclosures section located on the final page of this report.

Powered by RiskEcon® Analytics. ©Copyright Risk Economics, Inc. 2009-2015. All rights reserved.

No duplication or secondary distribution without express permission.

Please visit our website at www.riskecon.com or contact skappagoda@risk-econ.com with any questions.