

Employment

February nonfarm payrolls grew by 379,000 jobs. Revisions to the prior two months added another 91,000. The unemployment rate fell from 6.3% to 6.2%. Average hourly earnings rose 0.2% in the month, while the labor force participation rate was unchanged at 61.4%.

Our Take: Job creation was better than expected in February despite the mid-month freeze across a large swath of the country. The leisure and hospitality sector was the big winner, adding 355,000 jobs as the economy reopens. Today's report adds to other recent positive news as the economy appears to be regaining its footing. While payrolls still remain about 9.5 million jobs below their pre-pandemic highs, solid progress on vaccinations should lead to further employment gains.

Powell Speaks

Federal Reserve Chairman Jerome Powell spoke at an event hosted by the Wall Street Journal yesterday. Given recent market volatility, Powell's remarks were closely watched. Many hoped for a discussion of policy measures to stem the recent rise in Treasury yields. However, Powell largely reiterated his comments from last week's testimony to Congress. The Fed remains committed to its accommodative policy until "substantial further progress" has been made to its employment and inflation goals. Disappointed by the lack of comments regarding additional policy accommodation, the markets sold off in the wake of his remarks.

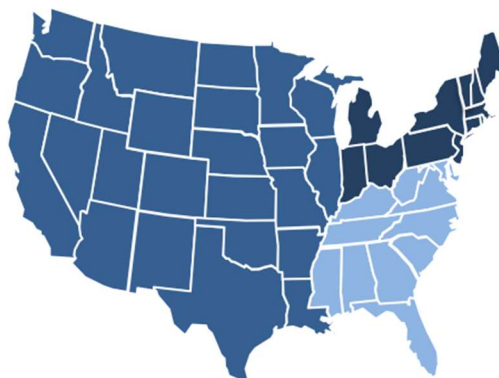
Our Take: The market reaction to Powell's comments is just noise. Nothing he said or did not say takes any of the Fed's policy tools off the table.

Municipals

The Nevada Gaming Control Board reported a nearly 27% drop in year-over-year gambling revenue. This marks the 11th straight month of revenue decline. Nevada casinos closed due to the pandemic in the middle of March 2020. Governor Steve Sisolak announced last month a plan that would allow a gradual increase in casino capacity with full capacity planned for May.

Our Take: Nevada is dependent on revenue generated by gaming and tourism. Nevada has been significantly impacted by the pandemic and restrictions surrounding casino capacity. Reopening casinos at increased capacity is good news and will hopefully have a ripple effect on tourism-related jobs and lead to an increase in gambling revenue.

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