

John Williams'

Shadow Government Statistics

Analysis Behind and Beyond Government Economic Reporting

The Economy Is Not Suddenly Recovering / November M3 up About 2.7%

NOTICE: Commentary No. 403 to be published December 3rd.

An hour-plus after the Bureau of Labor Statistics (BLS) released its happy headline numbers showing November 2011 U.3 unemployment at 8.6% and nonfarm payrolls gaining 120,000 jobs (+/- 129,000 jobs, 95% confidence interval), full data still were not posted on the BLS Web site, although much appears to be coming up now, as I write this. Where I try to get my analysis of the labor numbers out before the close of the business day, the delays here now have pushed that beyond feasibility for today.

Accordingly, *Commentary No. 403* on the November labor numbers, current economic conditions, November M3 and the evolving global systemic solvency crisis will be published tomorrow (December 3rd), instead of today. The SGS-Alternate Unemployment Estimate for November 2011 will be posted on our site, as available, later today, on the [Alternate Data](#) tab.

The economy is not suddenly recovering, and the employment circumstance generally is getting worse, not better. Details will be covered tomorrow.

The comments that would have been in today's *Commentary* on M3, follow. The detail will be updated tomorrow for the hard estimate tomorrow.

Money Supply M3 (November 2011). Bank lending remains impaired and broad money growth is not picking up as it would with a healthy banking system. Based on roughly three weeks of data, the preliminary estimate of the SGS Ongoing-M3 Estimate for November 2011 will be published in the [Alternate Data](#) section December 3rd. November M3 is on track to show year-to-year growth of about 2.7%, up slightly from the 2.6% estimated for October and still below the official rate of CPI inflation. As with October, the seasonally-adjusted, month-to-month change estimate for November M3 likely will be unchanged. The estimated month-to-month M3 changes, however, remain less reliable than the estimates of annual growth.

A flattening or softening in the relative monthly estimates of annual growth, and slowing-to-flat month-to-month gains, also likely continued for the narrower M1 and M2 measures (M2 includes M1, M3 includes M2). M2 for November is on track to show year-to-year growth of about 9.7%, versus 9.9% in October, with month-to-month growth estimated at roughly 0.3% in November, the same as in October. The early estimate on M1 for November shows year-to-year growth of roughly 17.9%, down from 20.8% in October, with month-to-month change showing a 0.4% contraction in November, versus a 0.8% gain in October. The relatively stronger annual growth rates in M1 and M2 still reflect the recent shifting of funds out of M3 accounts into M1 and M2 accounts.

Best wishes to all – John Williams, December 2, 2011