

07.Jan.2021

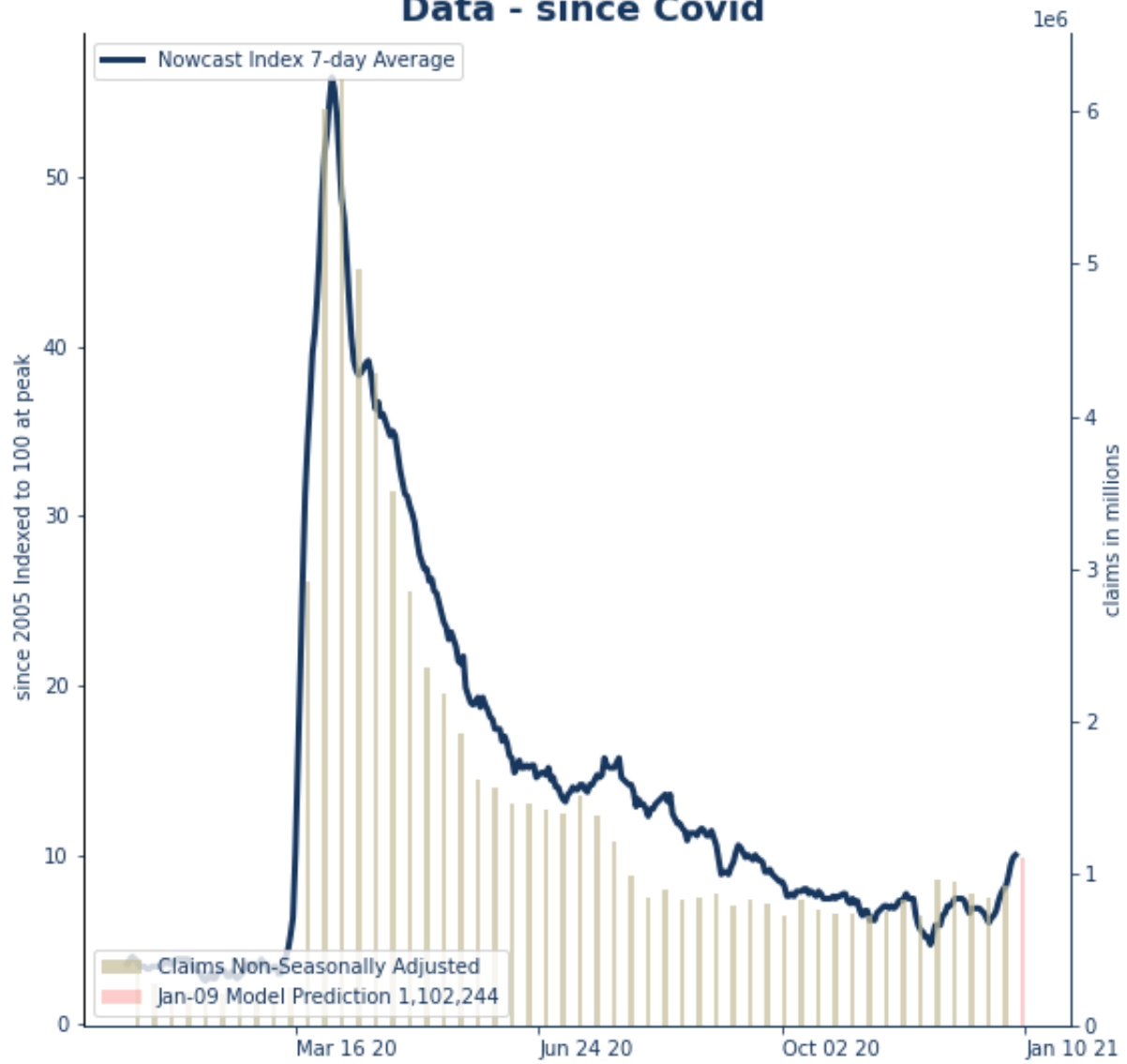
Jobless Claims: Details Reveal Cause for Concern

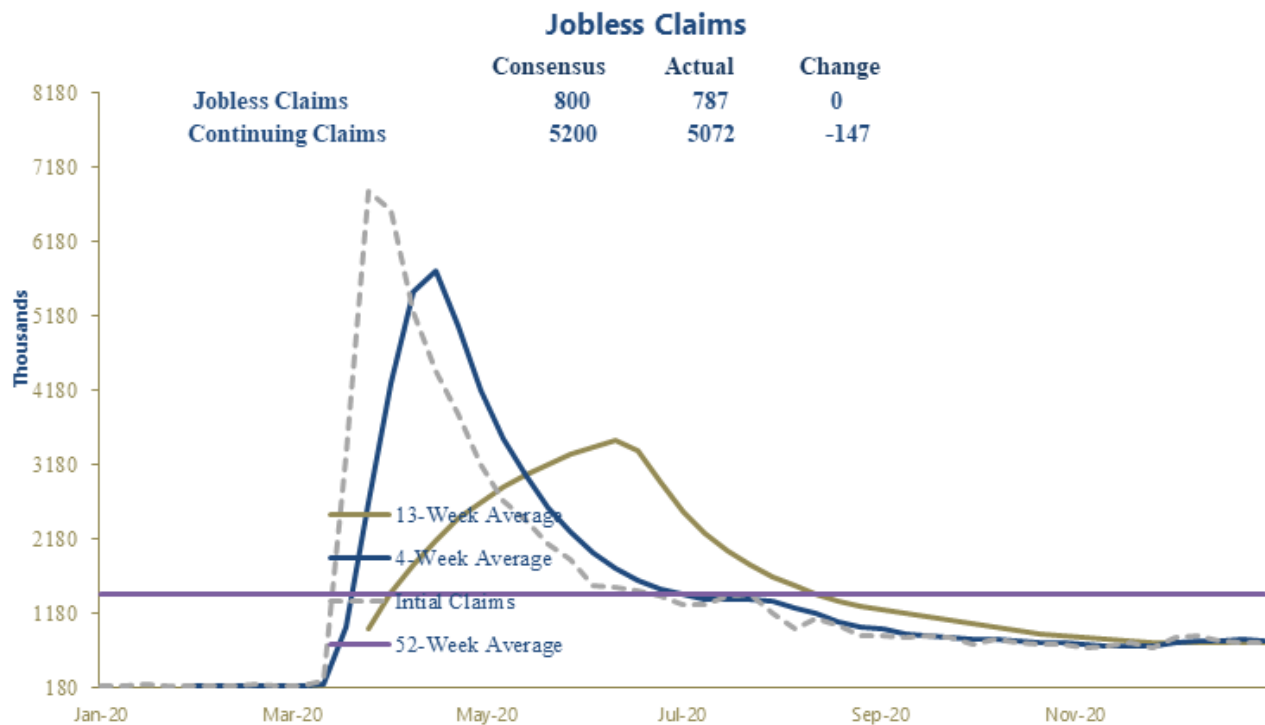
Bottom Line: Claims were unchanged in the week ended January 2nd amid substantial seasonal adjustments for the holiday-shortened week. Always a difficult time of year for seasonal adjustments, unadjusted claims were over 920k, up 77.4k on the week. Moreover, there was an anomalous drop in claims in Illinois, which will likely reverse in the coming weeks. Overall, looking through the volatility and adjustments, the trend in claims is concerning and moving higher.

Our Nowcasting model suggests claims are running higher than reported and could be over 1.1 million in the current week to be reported next Thursday.



Claims vs. Nowcast Index Data - since Covid





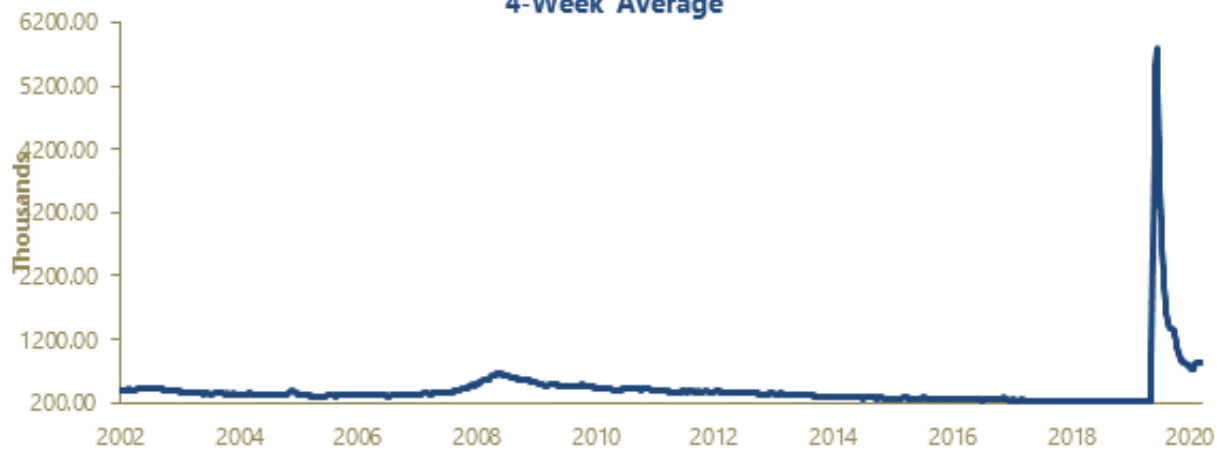
Jobless Claims were UNCHANGED during the week ended January 2nd to 787k, compared with market expectations for an increase to 800k. The 4-week average FELL by 18.8k to 818k and the 13-week average ROSE by 1.5k to 788k.

Continuing Claims FELL by 147k during the week ended December 26th to 5,072k, after the prior week was revised moderately lower from 13,385k to 5,322k. The 4-week average FELL by 177k to 5,280k.

On a non-seasonally adjusted basis, Continuing Claims FELL by 171k to 5,258k during the week ended December 19th.

The Insured Jobless Rate STAYED at 3.6% during the week ended December 26th. The insured jobless rate only reflects the number of people collecting regular state unemployment insurance.

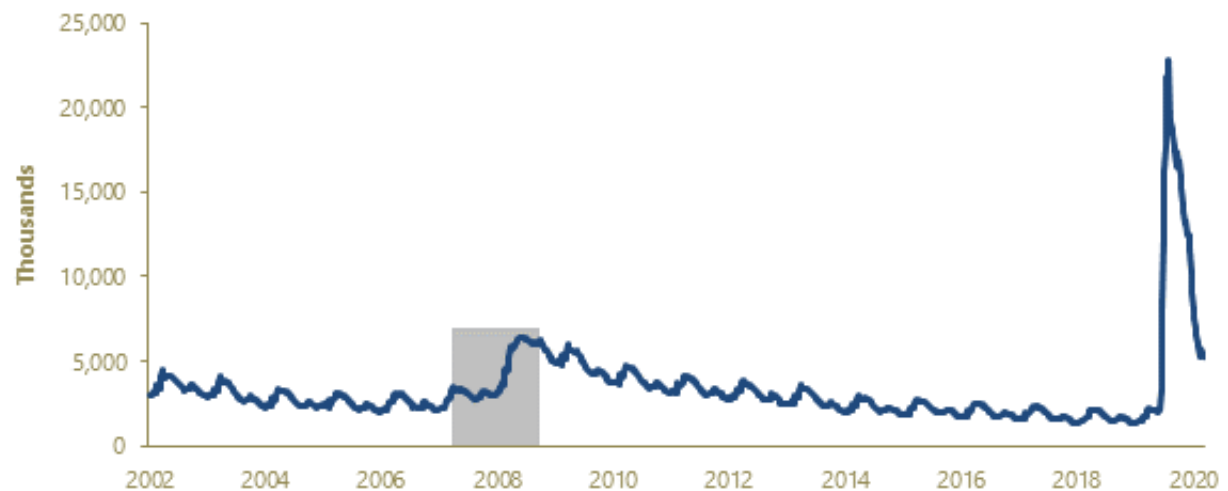
Initial Claims
4-Week Average



Persons Collecting Unemployment Compensation
Not Seasonally Adjusted

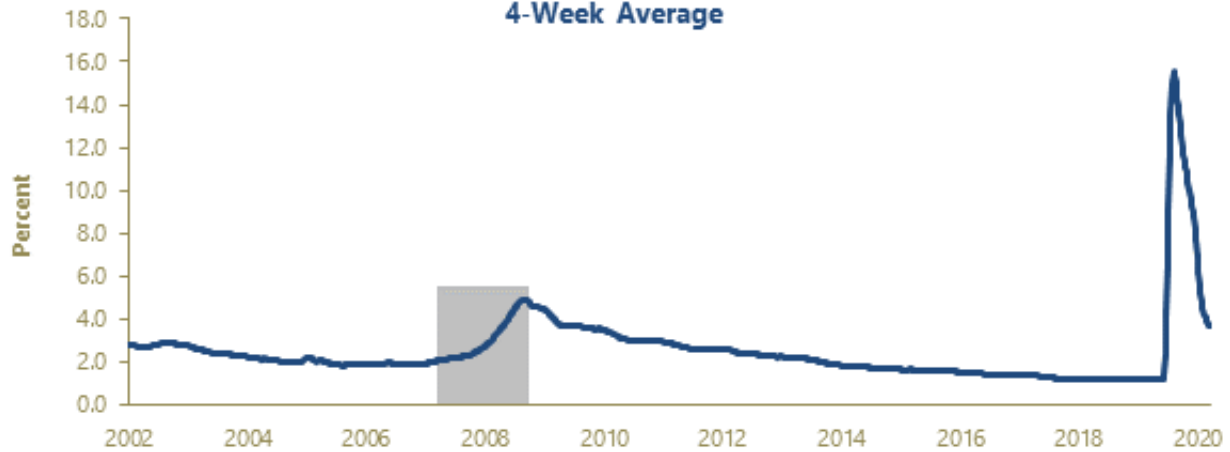


Continuing Claims
Not Seasonally Adjusted



Insured Jobless Rate

4-Week Average



| | 2-Jan | 26-Dec | 19-Dec | 12-Dec | 5-Dec | 28-Nov | 21-Nov | 14-Nov | 7-Nov |
|----------------------------------|-------|--------|--------|--------|-------|--------|--------|--------|-------|
| Initial Claims (000's) | 787 | 787 | 806 | 892 | 862 | 716 | 787 | 748 | 711 |
| Weekly Change | 0 | -19 | -86 | 30 | 146 | -71 | 39 | 37 | -46 |
| 4-Week Average | 818 | 837 | 819 | 814 | 778 | 741 | 751 | 744 | 756 |
| Weekly Change | -19 | 18 | 5 | 36 | 38 | -10 | 7 | -12 | -33 |
| Continuing Claims (000's) | 5,072 | 5,219 | 5,322 | 5,507 | 5,781 | 5,527 | 6,089 | 6,370 | |
| Weekly Change | -147 | -103 | -185 | -274 | 254 | -562 | -281 | -428 | |
| 4-Week Average | 5,280 | 5,457 | 5,534 | 5,726 | 5,942 | 6,196 | 6,620 | 7,053 | |
| Weekly Change | -177 | -77 | -192 | -216 | -254 | -424 | -434 | -526 | |
| Insured Jobless Rate (%) | 3.6 | 3.6 | 3.8 | 3.9 | 3.8 | 4.2 | 4.3 | 4.6 | |

Source: *Employment and Training Administration, Department of Labor via Bloomberg. Our calculations.*

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