

14.Jan.2021

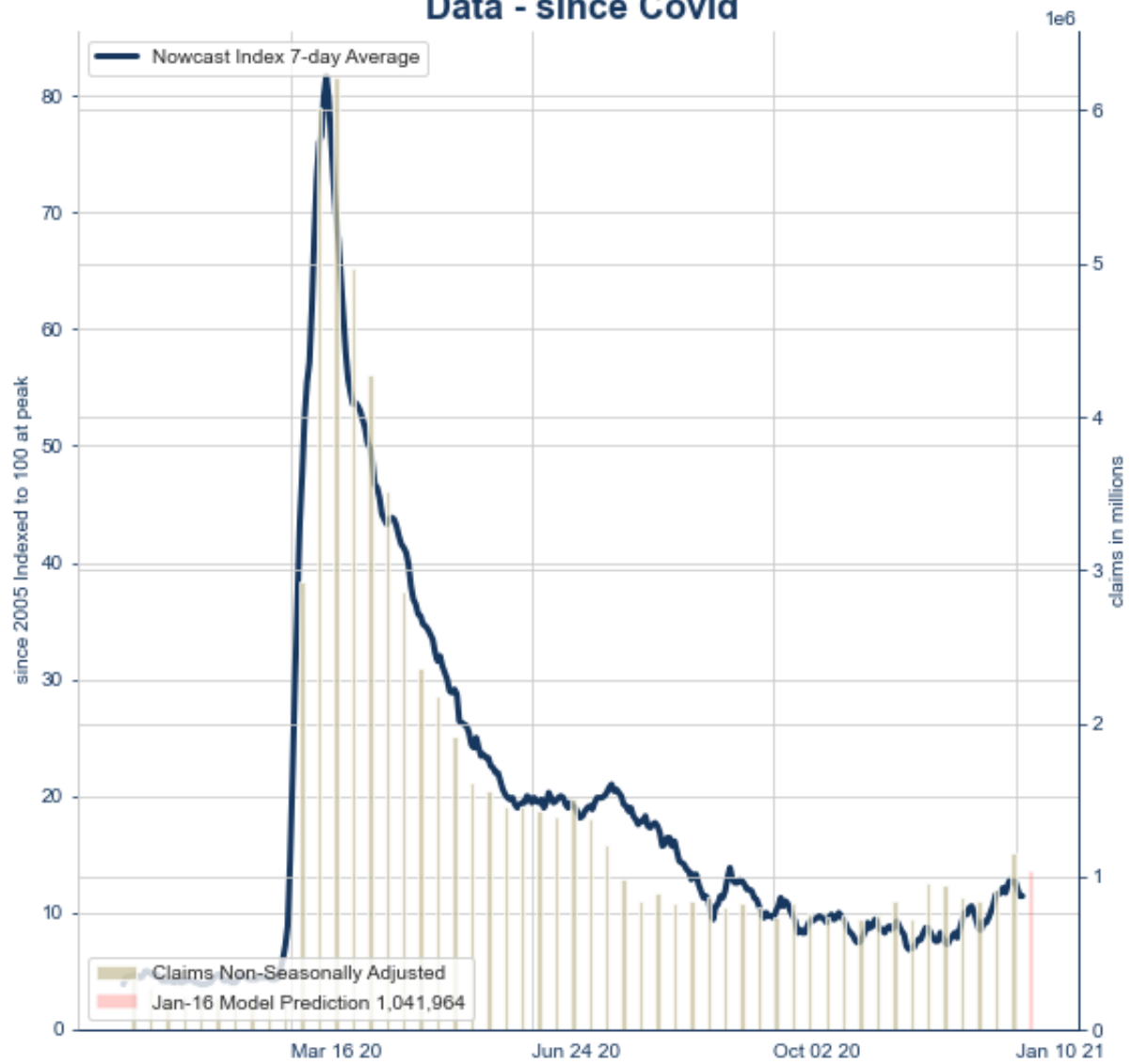
## **Jobless Claims: Sharp Jump As Nowcasting Predicted**

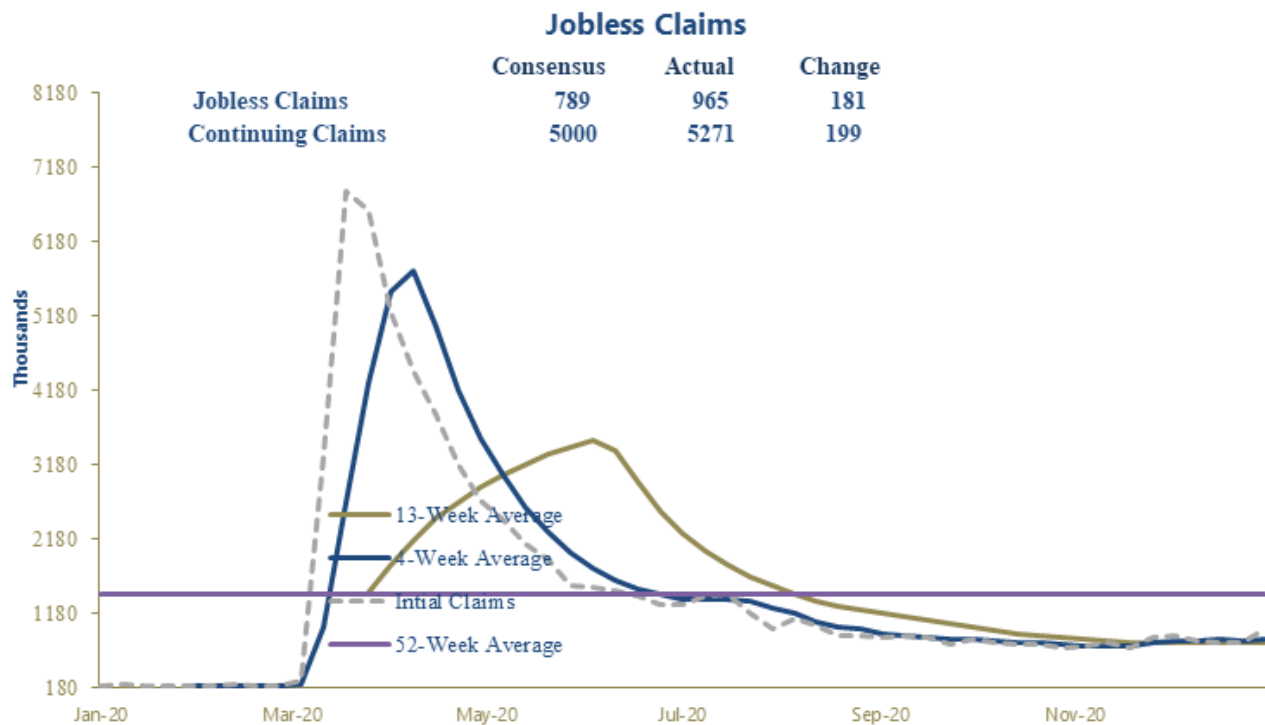
**Bottom Line:** Jobless claims were sharply higher last week, above consensus expectations but in-line with our nowcasting model. At 965k, the seasonally adjusted figure resulted from downward seasonal adjustments of just nearly 132k (seasonally claims were expected to increase last week) from the 1.15 million unadjusted tally. Expect a few more weeks of difficult seasonal adjustments. Nonetheless, the trend has been higher since renewed shutdowns in many parts of the country for the virus, with the 4-week average well above the 13-week average.

Our Nowcasting model forecasted unadjusted claims of 1.1 million, just below the reported figure. The model suggests claims have fallen just slightly for this week to be reported next Thursday.



## Claims vs. Nowcast Index Data - since Covid





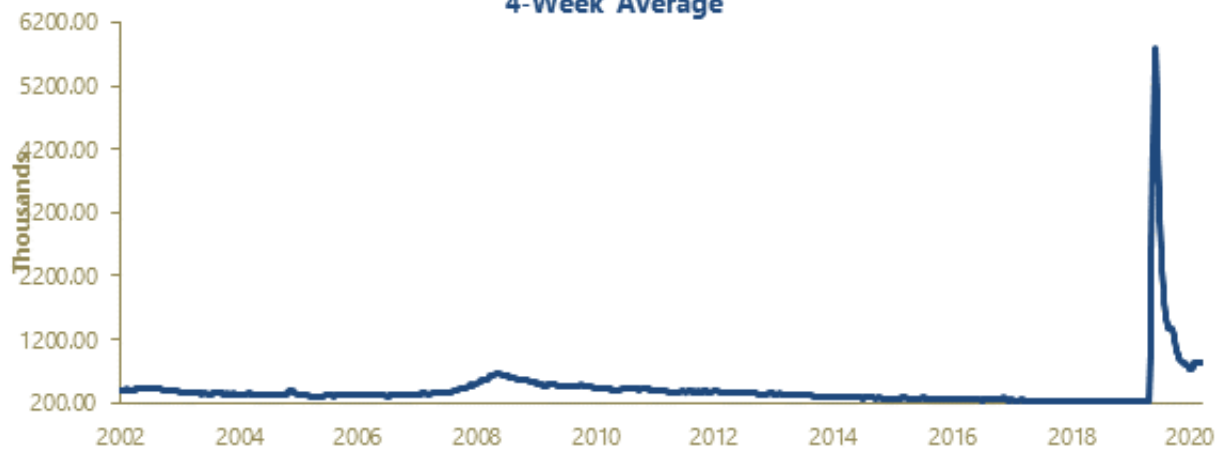
**Jobless Claims** ROSE by 181k during the week ended January 9th to 965k, compared with market expectations for an increase to 789k. The 4-week average ROSE by 18.3k to 834k and the 13-week average ROSE by 9.5k to 797k.

**Continuing Claims** ROSE by 199k during the week ended January 2nd to 5,271k, after the prior week was revised slightly higher from 5,072k to 5,198k. The 4-week average FELL by 59k to 5,216k.

On a non-seasonally adjusted basis, Continuing Claims ROSE by 474k to 5,856k during the week ended December 26th.

**The Insured Jobless Rate** ROSE by 0.2% to 3.7% during the week ended January 2nd. 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**

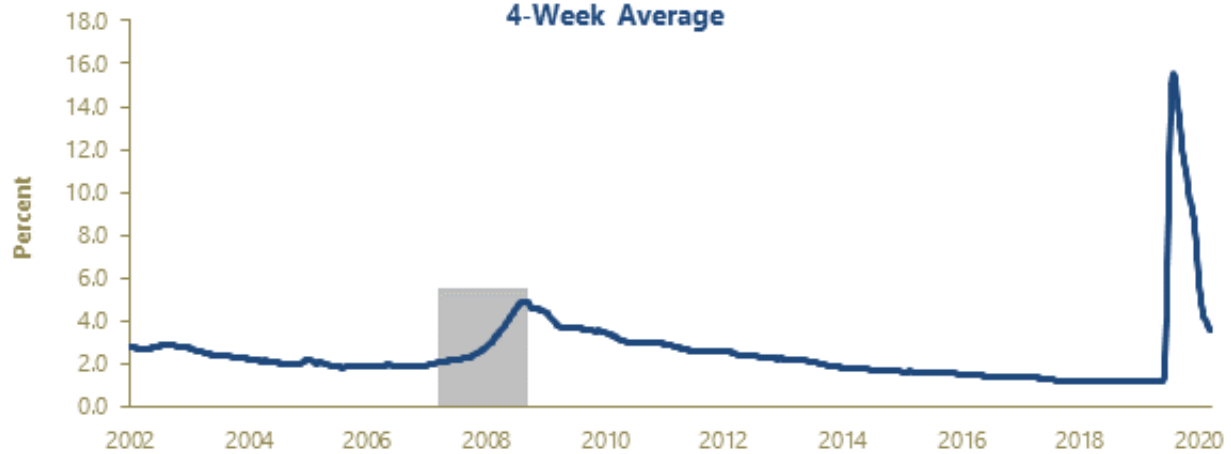


**Continuing Claims**  
**Not Seasonally Adjusted**



## Insured Jobless Rate

4-Week Average



	9-Jan	2-Jan	26-Dec	19-Dec	12-Dec	5-Dec	28-Nov	21-Nov	14-Nov
<b>Initial Claims (000's)</b>	965	784	790	806	892	862	716	787	748
<b>Weekly Change</b>	181	-6	-16	-86	30	146	-71	39	37
<b>4-Week Average</b>	836	818	838	819	814	778	741	751	744
<b>Weekly Change</b>	18	-20	19	5	36	38	-10	7	-12
<b>Continuing Claims (000's)</b>		5,271	5,072	5,198	5,322	5,507	5,781	5,527	6,089
<b>Weekly Change</b>		199	-126	-124	-185	-274	254	-562	-281
<b>4-Week Average</b>		5,216	5,275	5,452	5,534	5,726	5,942	6,196	6,620
<b>Weekly Change</b>		-59	-177	-82	-192	-216	-254	-424	-434
<b>Insured Jobless Rate (%)</b>		3.5	3.5	3.6	3.8	3.9	3.8	4.2	4.3

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

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