

21.Jan.2021

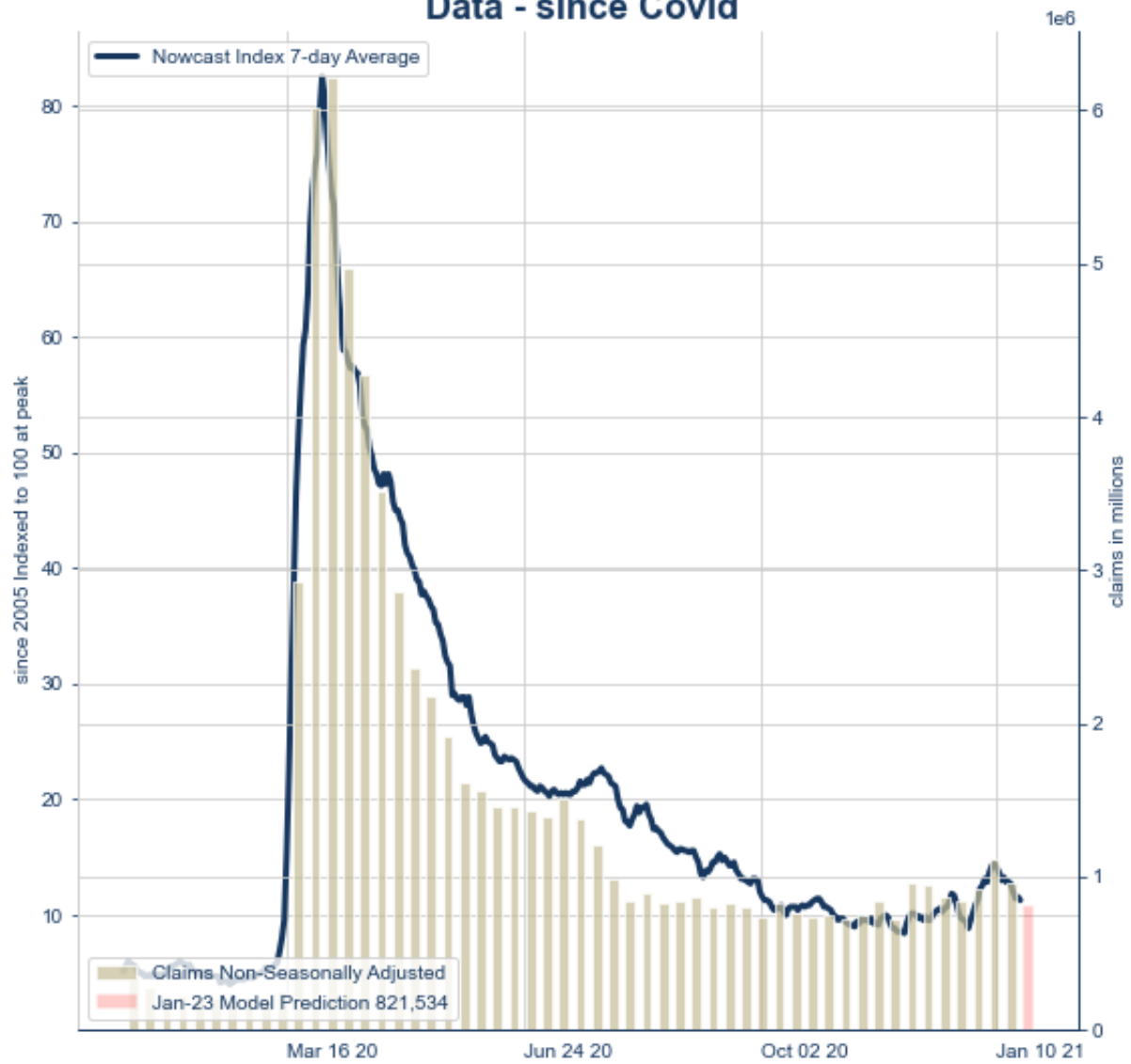
## **Jobless Claims: Modest Decline**

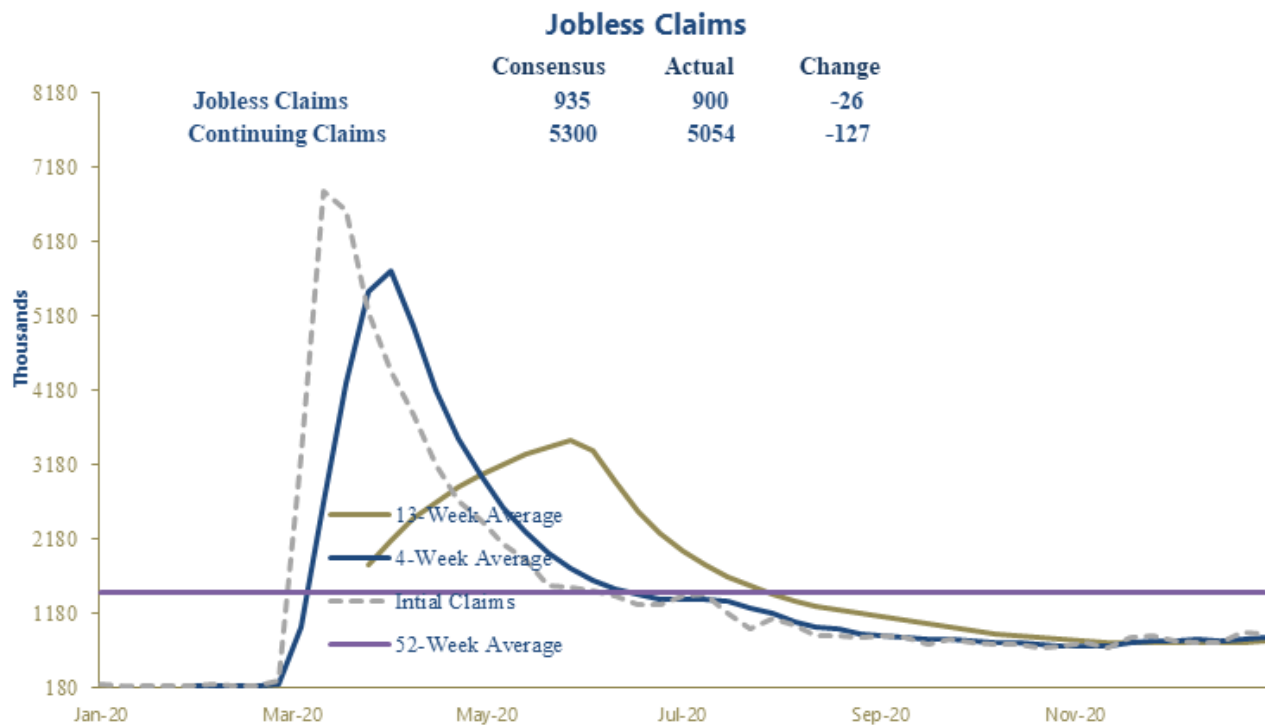
**Bottom Line:** Jobless claims fell modestly last week on a seasonally adjusted basis, but were sharply lower on an unadjusted basis. Seasonal adjustments remained heavy and will continue to impact this report for another week. Claims in California fell sharply but were an estimate, suggesting the potential for revisions in the next few weeks. Overall, the recent sharp uptick in claims has lost some momentum but remains concerning -- the 4-week average remains above the 13-week average.

Our Nowcasting model forecasted correctly last week's decline. The model suggests claims have fallen even further this week, to be reported next Thursday.



## Claims vs. Nowcast Index Data - since Covid





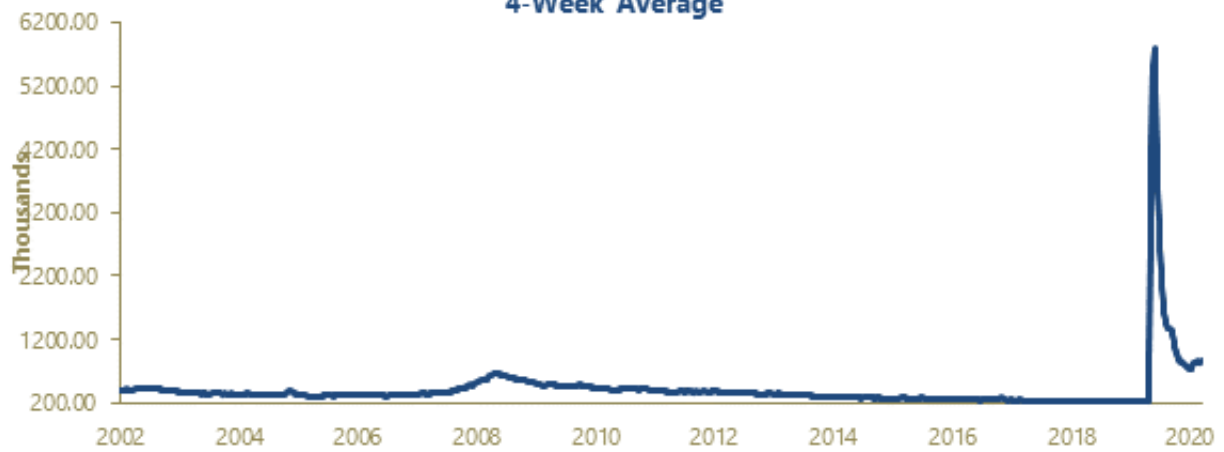
**Jobless Claims** FELL by 26k during the week ended January 16th to 900k, compared with market expectations for a decline to 935k. The 4-week average ROSE by 23.5k to 850k and the 13-week average ROSE by 7.9k to 803k.

**Continuing Claims** FELL by 127k during the week ended January 9th to 5,054k, after the prior week was revised slightly higher from 5,271k to 5,181k. The 4-week average FELL by 67k to 5,126k.

On a non-seasonally adjusted basis, Continuing Claims FELL by 204k to 5,563k during the week ended January 2nd.

**The Insured Jobless Rate** STAYED at 3.6% during the week ended January 9th. 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**

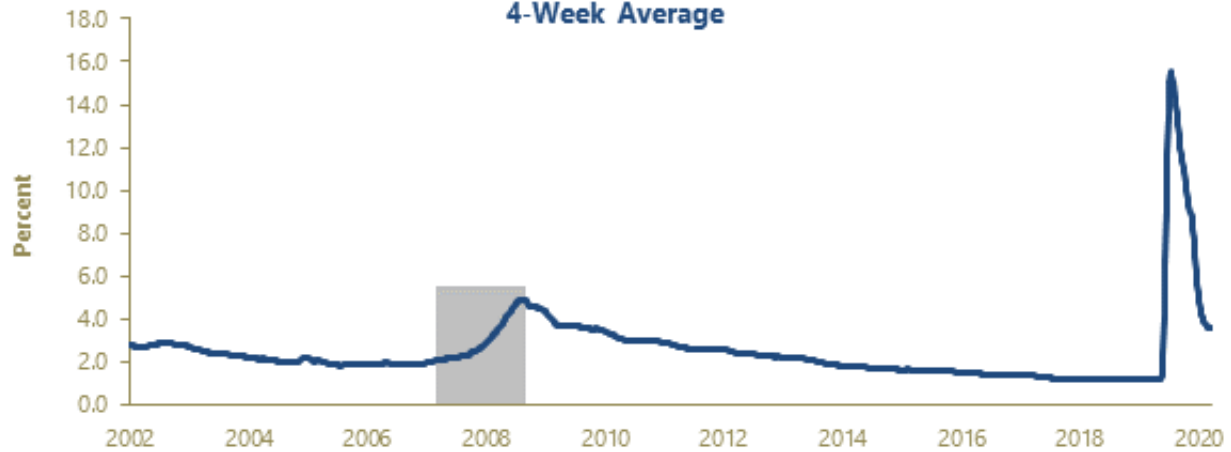


**Continuing Claims**  
**Not Seasonally Adjusted**



## Insured Jobless Rate

4-Week Average



	16-Jan	9-Jan	2-Jan	26-Dec	19-Dec	12-Dec	5-Dec	28-Nov	21-Nov
<b>Initial Claims (000's)</b>	900	926	784	790	806	892	862	716	787
<b>Weekly Change</b>	-26	142	-6	-16	-86	30	146	-71	39
<b>4-Week Average</b>	850	827	818	838	819	814	778	741	751
<b>Weekly Change</b>	24	9	-20	19	5	36	38	-10	7
<b>Continuing Claims (000's)</b>		5,054	5,181	5,072	5,198	5,322	5,507	5,781	5,527
<b>Weekly Change</b>		-127	109	-126	-124	-185	-274	254	-562
<b>4-Week Average</b>		5,126	5,193	5,275	5,452	5,534	5,726	5,942	6,196
<b>Weekly Change</b>		-67	-82	-177	-82	-192	-216	-254	-424
<b>Insured Jobless Rate (%)</b>		3.6	3.6	3.5	3.5	3.6	3.8	3.9	3.8

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

Copyright © Contingent Macro Advisors, LLC. All rights reserved. Reproduction and/or redistribution are expressly prohibited. "Economic Advisory Service" is a registered

T.J. Connelly, Head of Research	January 21, 2021	Steven A. Wood, Senior Economic Adviser
---------------------------------	------------------	---