

28.Jan.2021

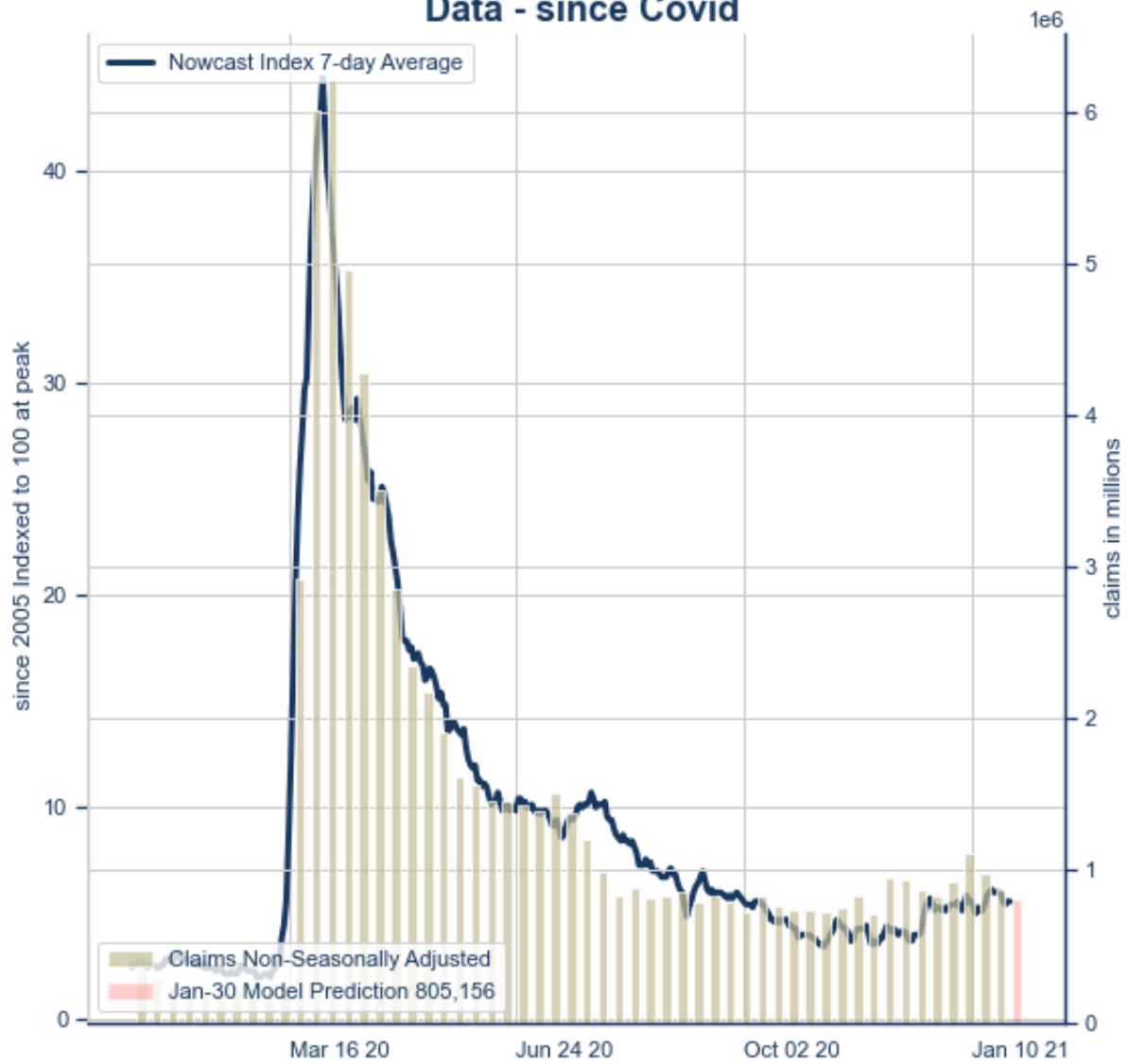
Jobless Claims: Sharp Decline

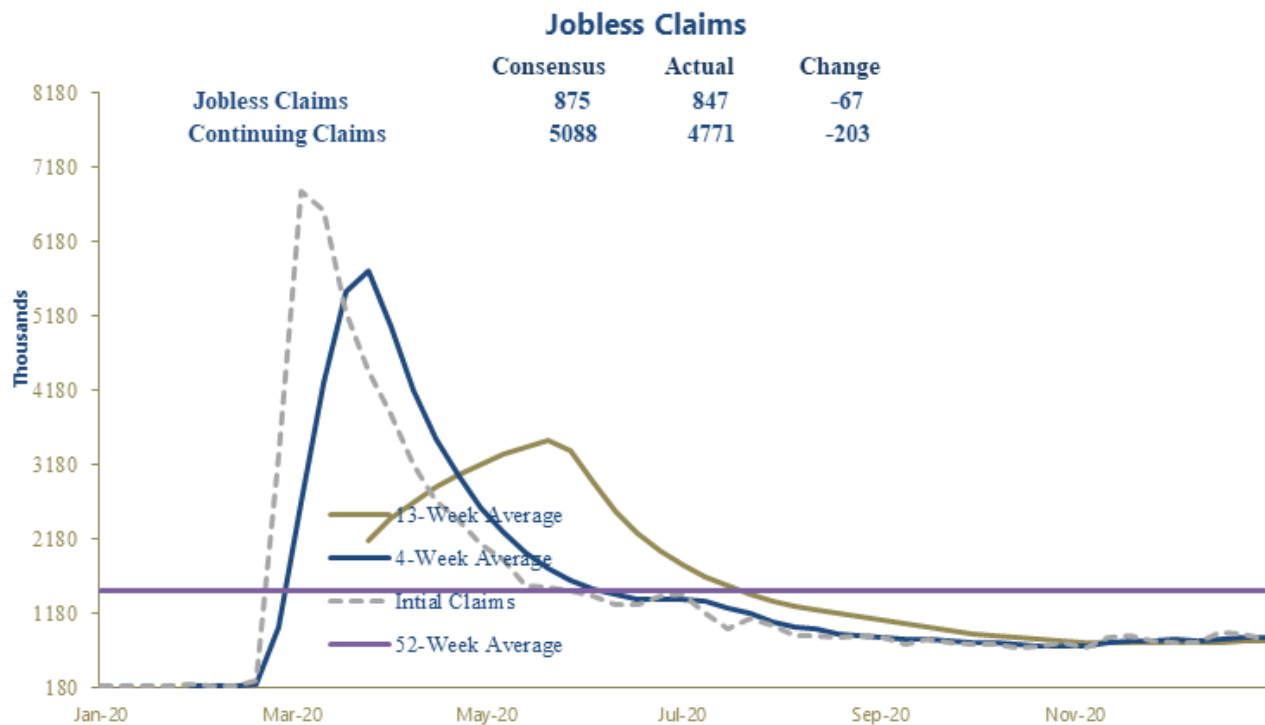
Bottom Line: Jobless claims fell more than expected last week but were nearly in-line with our Nowcast model's forecast. Seasonal adjustments remained heavy but will be subsiding in the coming weeks. California saw a sharp drop in claims in the week that included the MLK holiday, but there were anomalous increases in Illinois and Florida data. Together these anomalies should be a wash as adjustments smooth out over the coming weeks. The trend remains concerning -- the 4-week average is 868k vs. the 13-week average of 810k -- but is starting to turn in the right direction.

Our Nowcasting model suggests claims have fallen even further this week, to be reported next Thursday.



Claims vs. Nowcast Index Data - since Covid





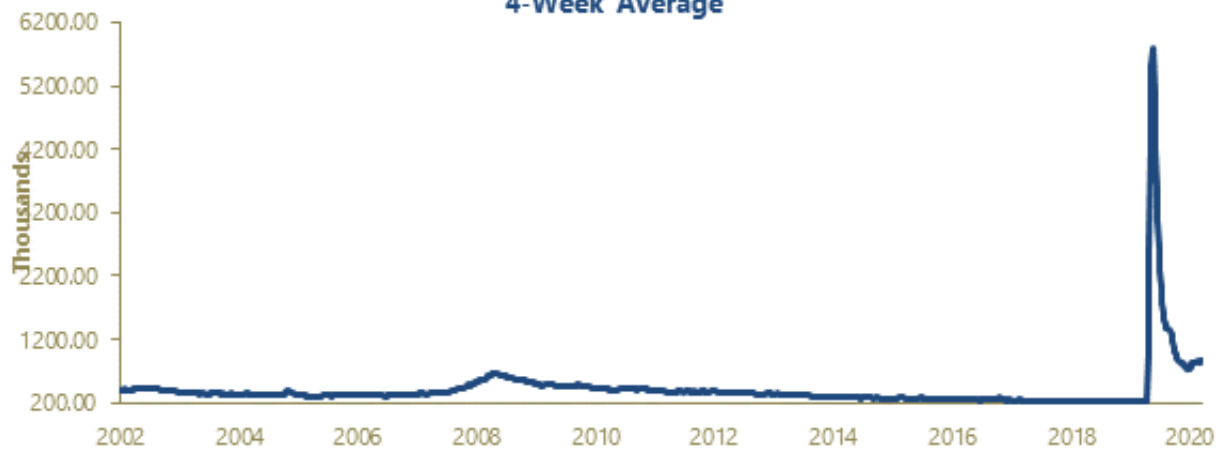
Jobless Claims FELL by 67k during the week ended January 23th to 847k, compared with market expectations for an increase to 875k. The 4-week average ROSE by 16.3k to 868k and the 13-week average ROSE by 6.8k to 810k.

Continuing Claims FELL by 203k during the week ended January 16th to 4,771k, after the prior week was revised modestly lower from 5,054k to 4,974k. The 4-week average FELL by 107k to 4,998k.

On a non-seasonally adjusted basis, Continuing Claims FELL by 274k to 5,209k during the week ended January 9th.

The Insured Jobless Rate FELL by 0.1% to 3.4% during the week ended January 16th. 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



	23-Jan	16-Jan	9-Jan	2-Jan	26-Dec	19-Dec	12-Dec	5-Dec	28-Nov
Initial Claims (000's)	847	914	927	784	782	806	892	862	716
Weekly Change	-67	-13	143	2	-24	-86	30	146	-71
4-Week Average	868	852	825	816	836	819	814	778	741
Weekly Change	16	27	9	-20	17	5	36	38	-10
Continuing Claims (000's)		4,771	4,974	5,175	5,072	5,198	5,322	5,507	5,781
Weekly Change		-203	-201	103	-126	-124	-185	-274	254
4-Week Average		4,998	5,105	5,192	5,275	5,452	5,534	5,726	5,942
Weekly Change		-107	-87	-83	-177	-82	-192	-216	-254
Insured Jobless Rate (%)		3.4	3.5	3.6	3.5	3.5	3.6	3.8	3.9

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

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