

11.Feb.2021

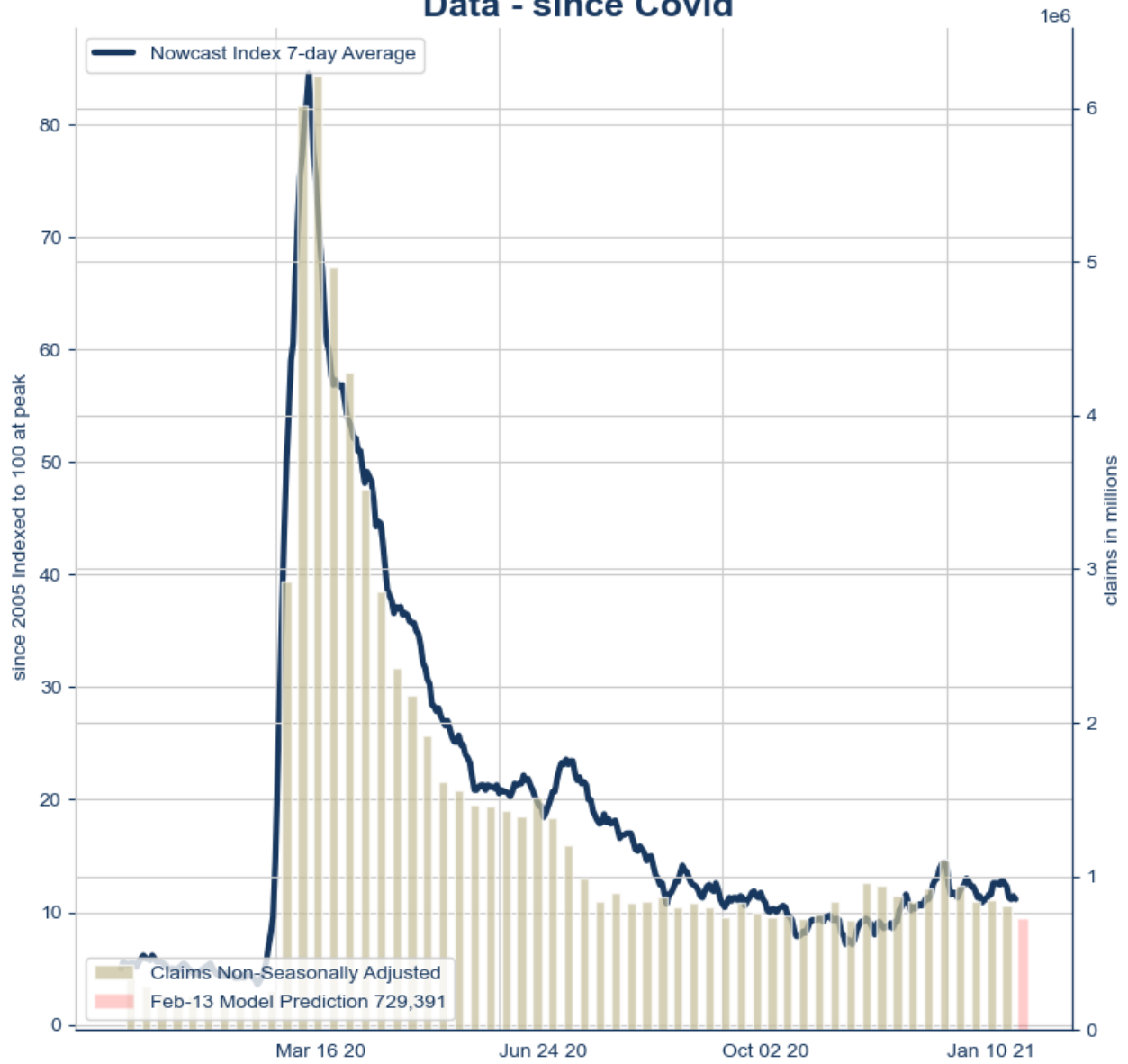
Jobless Claims: Volatility Hinders Progress

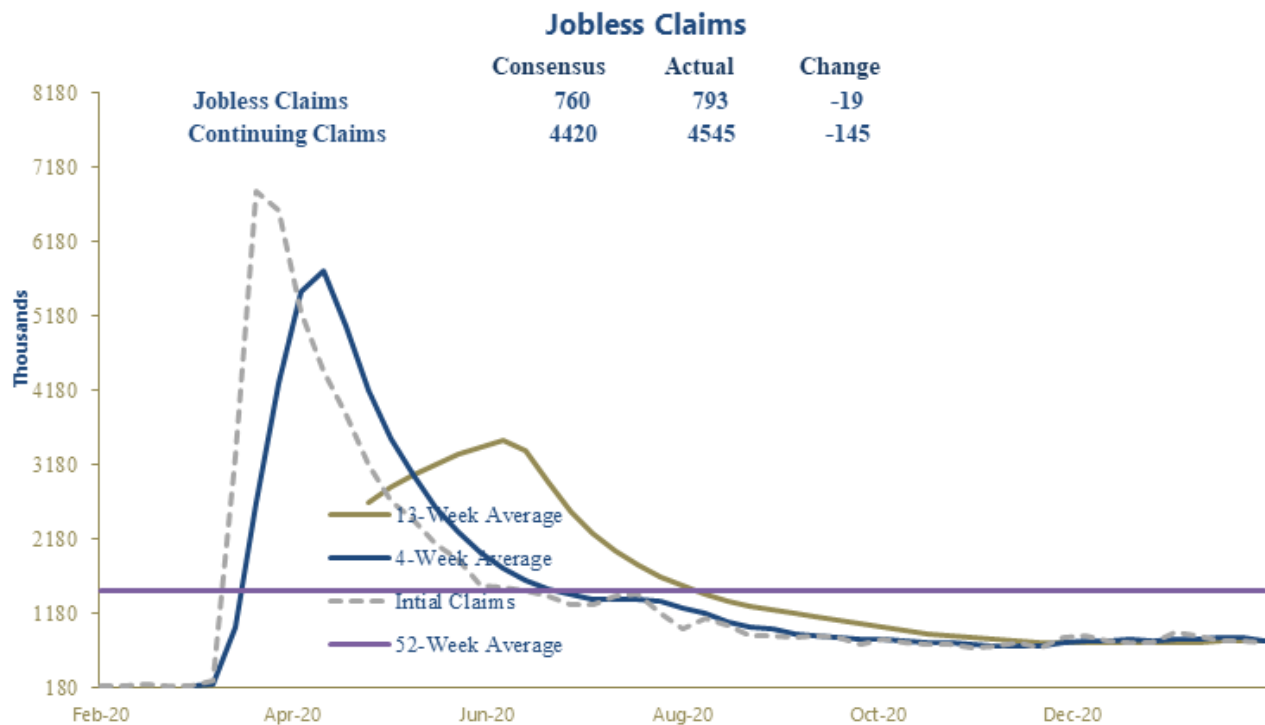
Bottom Line: Claims were a touch lower last week but were revised higher for the previous week. The potential new stimulus plan may have sparked a resurgence in those seeking claims. And there were several anomalous looking increases including a nearly 200% increase (+90k) in claims in Ohio and a large increase in California that was mostly offset by a large decline in Florida. Some of this volatility is likely still due to catch-up from the holidays, including the January long weekend. Additionally, reopenings from the late 2020 shutdowns in many parts of the country created volatility. After one more week of significant seasonal adjustments, we expect the volatility to subside and the trend to return towards a slow, modest improvement in the labor markets.

Our Nowcasting model forecast suggested claims could fall below 800k but doesn't capture any state-level collection volatility as we saw last week. The model suggests claims have fallen even further this week, dropping below 730, to be reported next Thursday. In the last year, this model has done a good job of helping look through some of the volatility, so we'll be watching it closely in the coming weeks as we get more state-level volatility around the upcoming long weekend.



Claims vs. Nowcast Index Data - since Covid





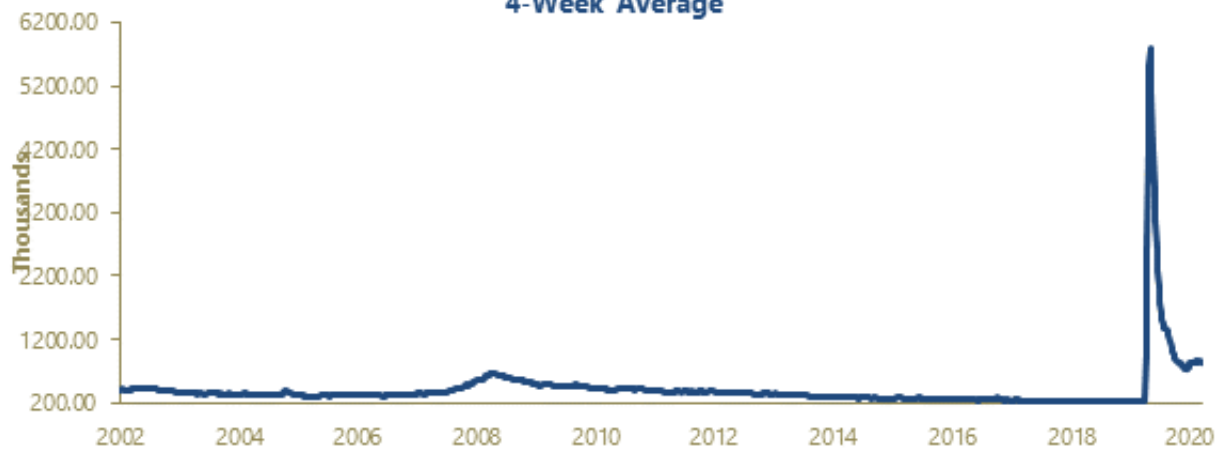
Jobless Claims FELL by 19k during the week ended February 6th to 793k, compared with market expectations for an increase to 760k. The 4-week average FELL by 33.5k to 823k and the 13-week average ROSE by 6.3k to 815k.

Continuing Claims FELL by 145k during the week ended January 30th to 4,545k, The 4-week average FELL by 158k to 4,749k.

On a non-seasonally adjusted basis, **Continuing Claims** FELL by 168k to 5,025k during the week ended January 23th.

The Insured Jobless Rate FELL by 0.1% to 3.2% during the week ended January 30th. 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



	6-Feb	30-Jan	23-Jan	16-Jan	9-Jan	2-Jan	26-Dec	19-Dec	12-Dec
Initial Claims (000's)	793	812	812	875	927	784	782	806	892
Weekly Change	-19	0	-63	-52	143	2	-24	-86	30
4-Week Average	823	857	850	842	825	816	836	819	814
Weekly Change	-34	7	8	17	9	-20	17	5	36
Continuing Claims (000's)		4,545	4,690	4,785	4,975	5,175	5,072	5,198	5,322
Weekly Change		-145	-95	-190	-200	103	-126	-124	-185
4-Week Average		4,749	4,906	5,002	5,105	5,192	5,275	5,452	5,534
Weekly Change		-158	-96	-103	-87	-83	-177	-82	-192
Insured Jobless Rate (%)		3.2	3.3	3.4	3.5	3.6	3.5	3.5	3.6

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

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T.J. Connelly, Head of Research	February 11, 2021	Steven A. Wood, Senior Economic Adviser
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