

20.May.2021

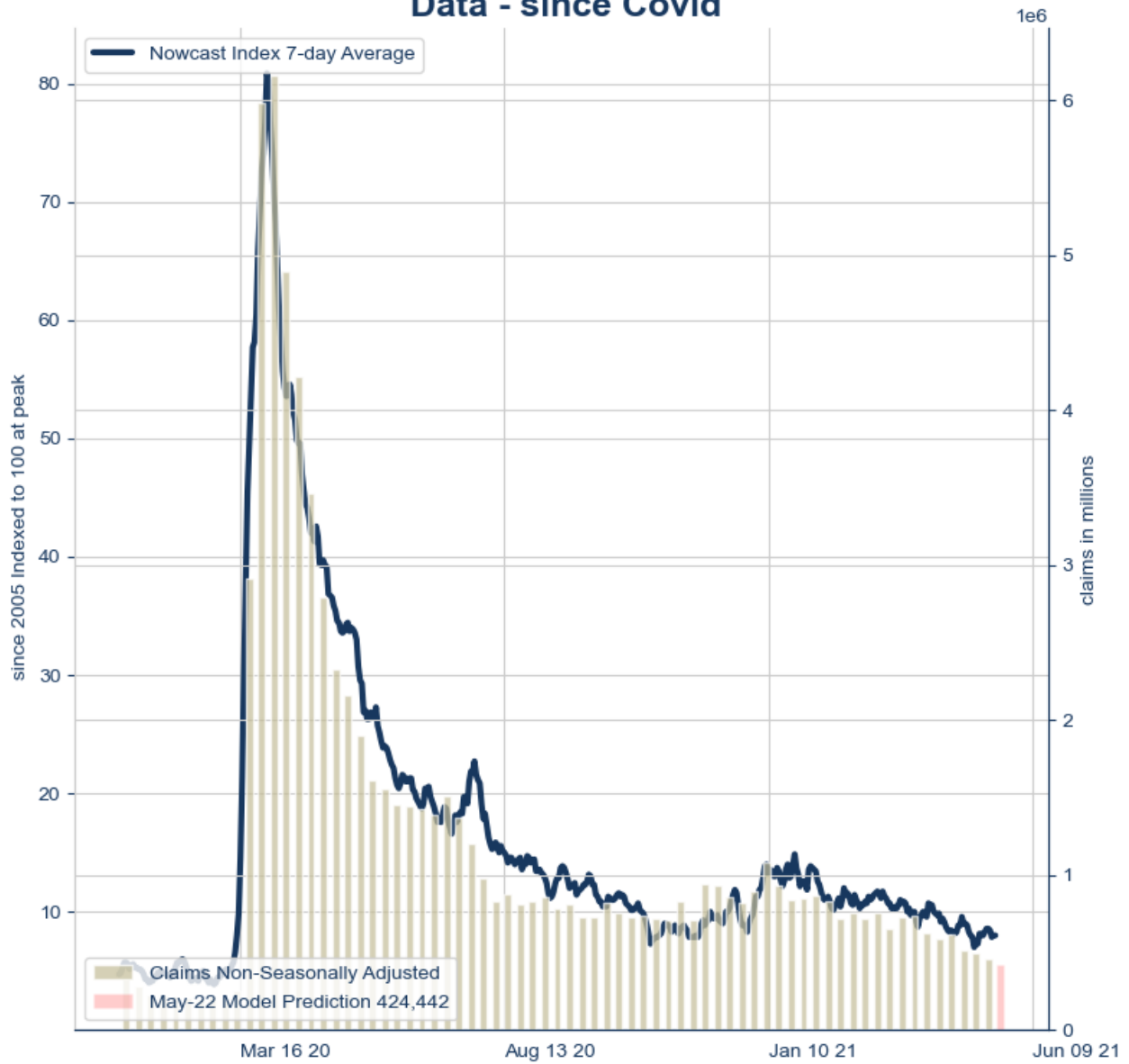
Jobless Claims: Continued Declines

Bottom Line: Claims fell below 450k for the first time since the pandemic last week. The trend is lower amid continued reopenings and vaccine distribution. There were modest upside revisions to the prior week's data but nothing that impacted the trend. The four-week average, now at 505k, looks set to fall below 500k in the coming weeks, well below the 13-week average of over 600k. While there will be continued volatility in hiring, the numbers seeking jobless benefits clearly show continued improvement in labor markets.

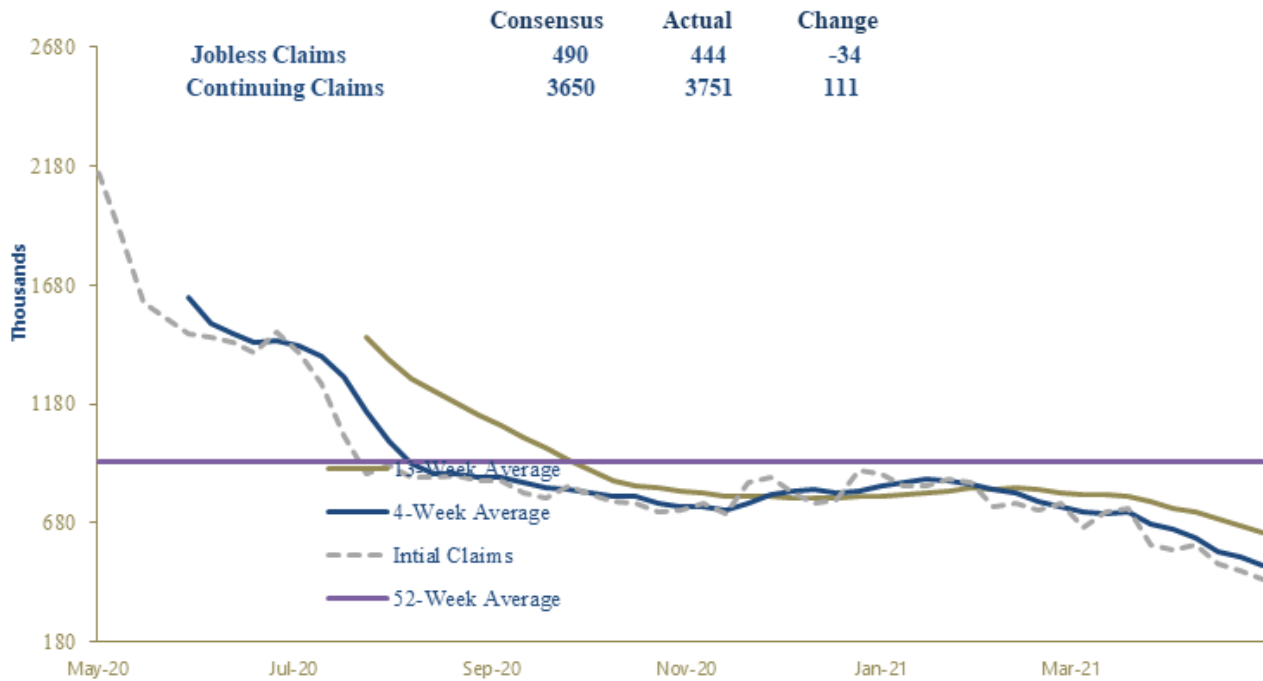
Our Nowcasting model suggests claims have fallen further this week, likely coming in below 425k when reported next Thursday.



Claims vs. Nowcast Index Data - since Covid



Jobless Claims



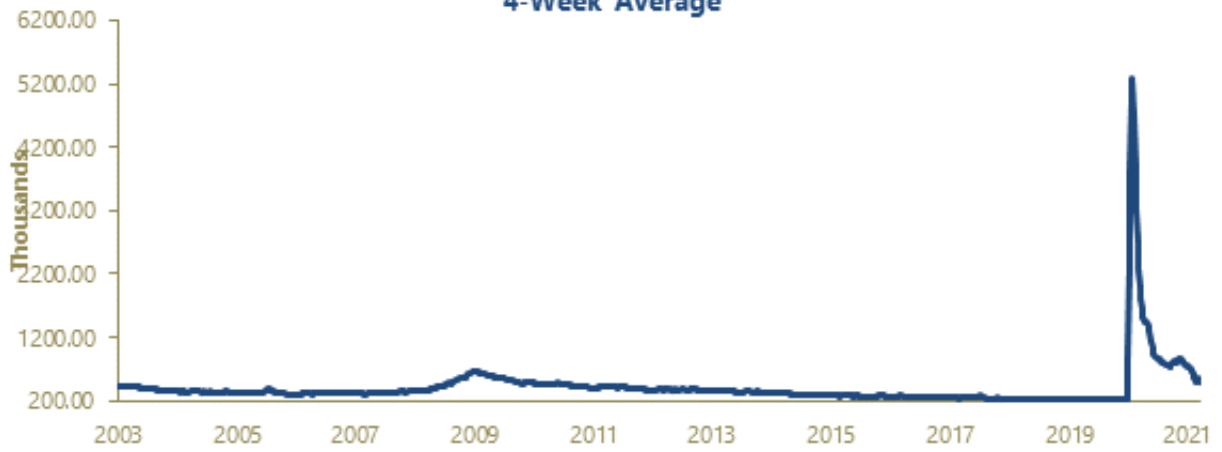
Jobless Claims FELL by 34k during the week ended May 15th to 444k, compared with market expectations for 450k. The 4-week average FELL by 30.5k to 505k and the 13-week average FELL by 31.0k to 639k.

Continuing Claims ROSE by 111k during the week ended May 8th to 3,751k, The 4-week average ROSE by 25k to 3,681k.

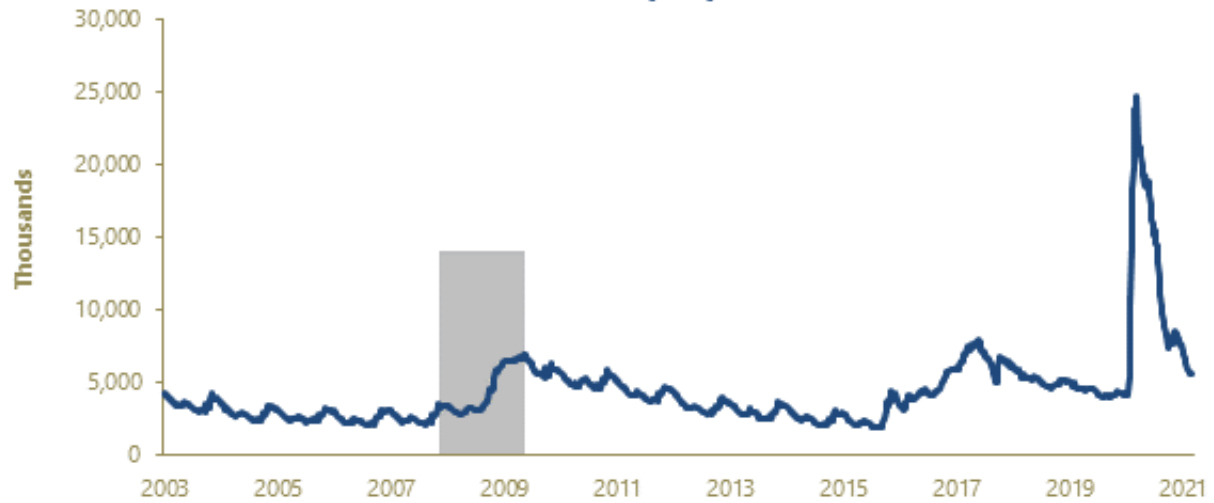
On a non-seasonally adjusted basis, Continuing Claims FELL by 10k to 3,684k during the week ended May 1st.

The Insured Jobless Rate ROSE by 0.1% to 2.7% during the week ended May 8th. The insured jobless rate only reflects the number of people collecting regular state unemployment insurance.

Initial Claims 4-Week Average



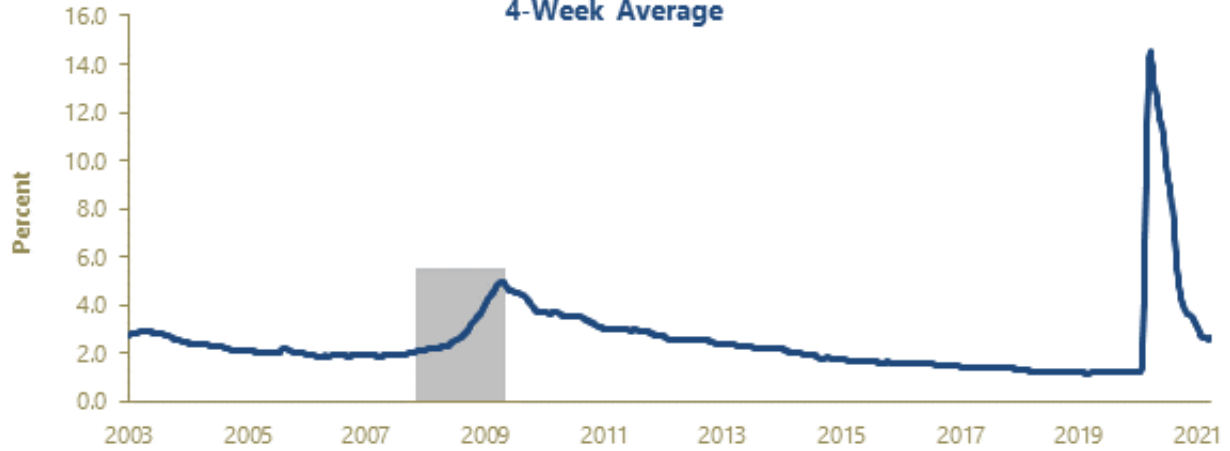
Persons Collecting Unemployment Compensation Not Seasonally Adjusted



Continuing Claims Not Seasonally Adjusted



Insured Jobless Rate 4-Week Average



| | 15-May | 8-May | 1-May | 24-Apr | 17-Apr | 10-Apr | 3-Apr | 27-Mar | 20-Mar |
|----------------------------------|--------|-------|-------|--------|--------|--------|-------|--------|--------|
| Initial Claims (000's) | 444 | 478 | 507 | 590 | 566 | 586 | 742 | 729 | 658 |
| Weekly Change | -34 | -29 | -83 | 24 | -20 | -156 | 13 | 71 | -107 |
| 4-Week Average | 505 | 535 | 562 | 621 | 656 | 679 | 724 | 722 | 730 |
| Weekly Change | -31 | -27 | -59 | -35 | -23 | -45 | 2 | -8 | -22 |
| Continuing Claims (000's) | | 3,751 | 3,640 | 3,680 | 3,653 | 3,652 | 3,708 | 3,717 | 3,753 |
| Weekly Change | | 111 | -40 | 27 | 1 | -56 | -9 | -36 | -88 |
| 4-Week Average | | 3,681 | 3,656 | 3,673 | 3,683 | 3,708 | 3,755 | 3,859 | 3,969 |
| Weekly Change | | 25 | -17 | -9 | -25 | -47 | -104 | -110 | -158 |
| Insured Jobless Rate (%) | | 2.7 | 2.6 | 2.6 | 2.6 | 2.6 | 2.7 | 2.6 | 2.6 |

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 | May 20, 2021 | Steven A. Wood, Senior Economic Adviser |
|---------------------------------|--------------|---|