

23.Sep.2021

Jobless Claims: Surprise Jump

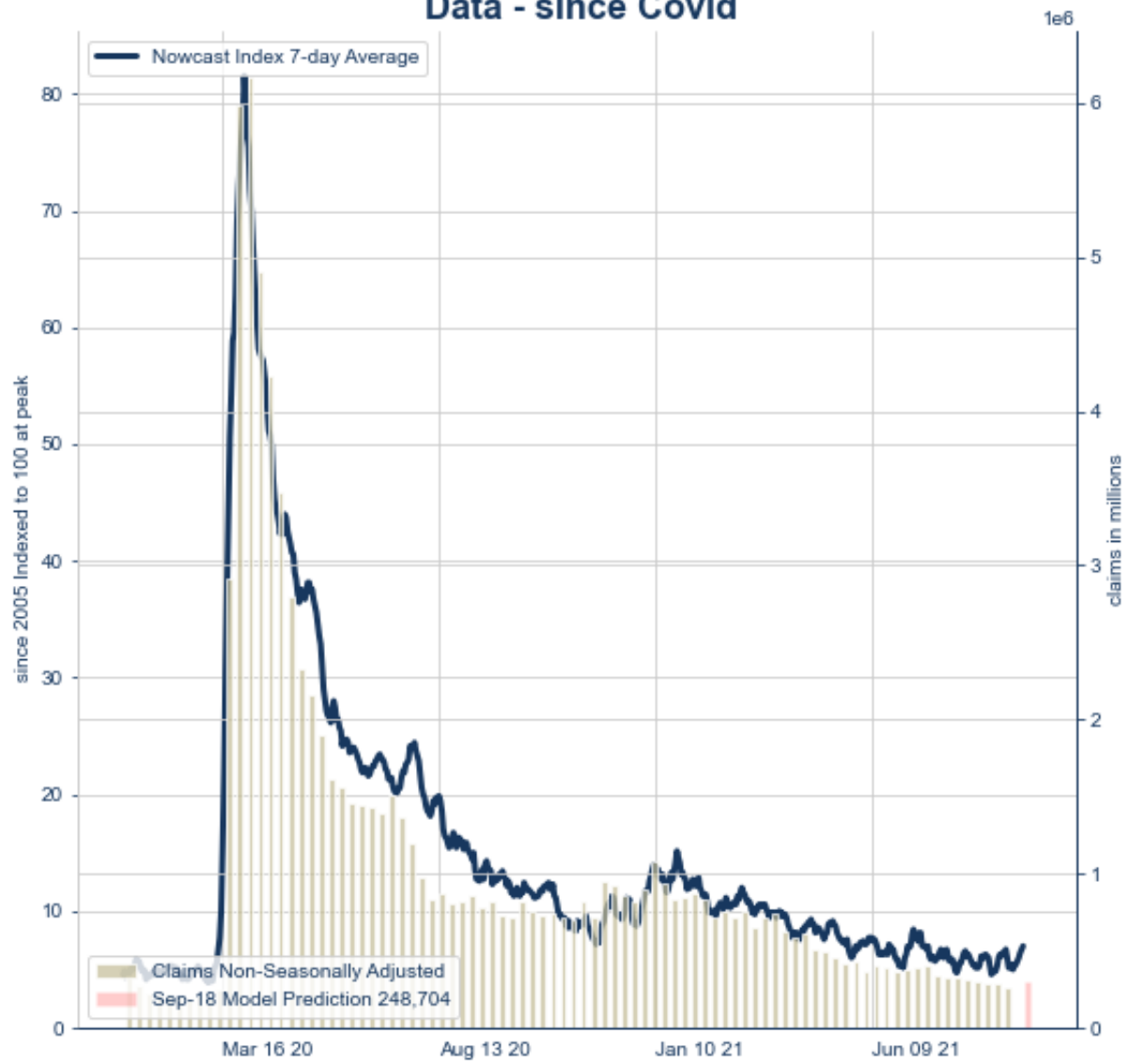
Bottom Line: Jobless claims jumped to 351k, well above expectations for a decline to 320k from a revised 335k. Several states reported unusual jumps in claims, suggesting much of the increase was due to processing bottlenecks clearing. California accounted for over 20k of the increase, as the state processed nearly 50% more claims than in the prior week. Virginia saw nearly four times its usual volume, accounting for over 10k of the national increase. These look to be anomalies related to processing rather than a shift in trend. The 4-week average is still below the 13-week, suggesting a declining trend.

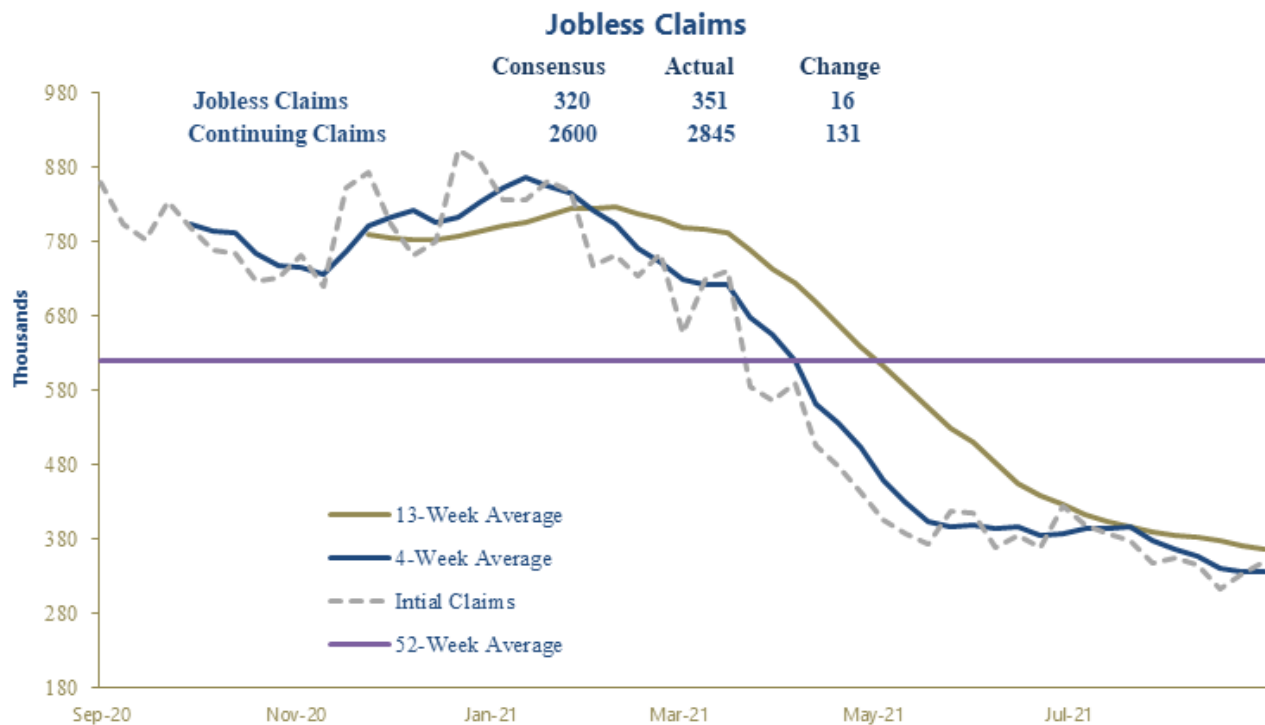
Our Nowcast model confirms that the recent jump is likely due to processing anomalies. It suggests the unadjusted claim count is likely closer to 250k, a bit below the trend pace of claims we would have expected without the recent weeks' jumps.

For now, the jump in claims in the last two weeks is not yet alarming but it certainly bears close watching in the coming weeks.



Claims vs. Nowcast Index Data - since Covid





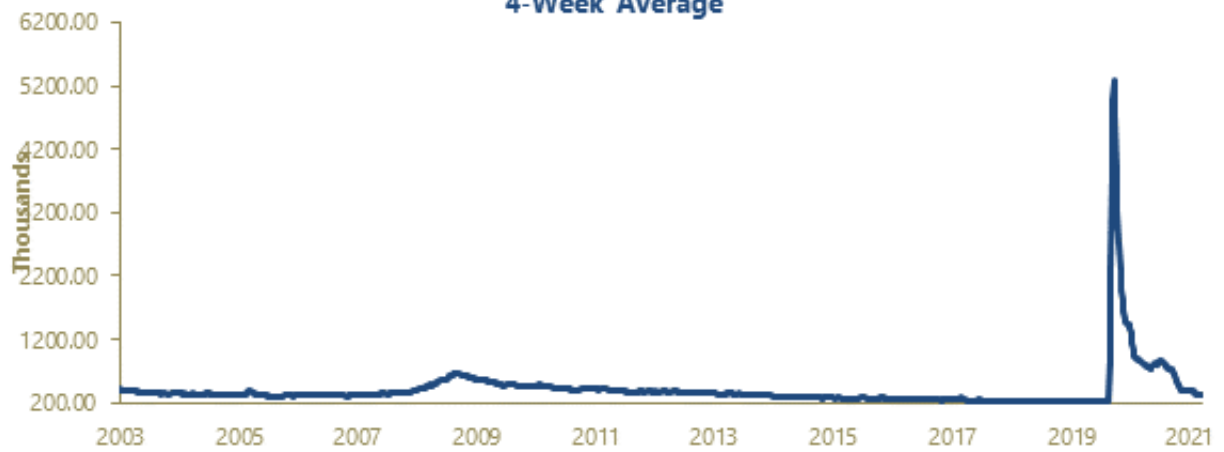
Jobless Claims ROSE by 16k during the week ended September 18th to 351k, compared with market expectations for an increase to 320k. The 4-week average FELL by 0.8k to 336k and the 13 week average FELL by 5.0k to 366k.

Continuing Claims ROSE by 131k during the week ended September 11st to 2,845k, The 4-week average FELL by 16k to 2,804k.

On a non-seasonally adjusted basis, Continuing Claims ROSE by 157k to 2,535k during the week ended September 4th.

The Insured Jobless Rate ROSE by 0.1% to 2.1% during the week ended September 11st. The insured jobless rate only reflects the number of people collecting regular state unemployment insurance.

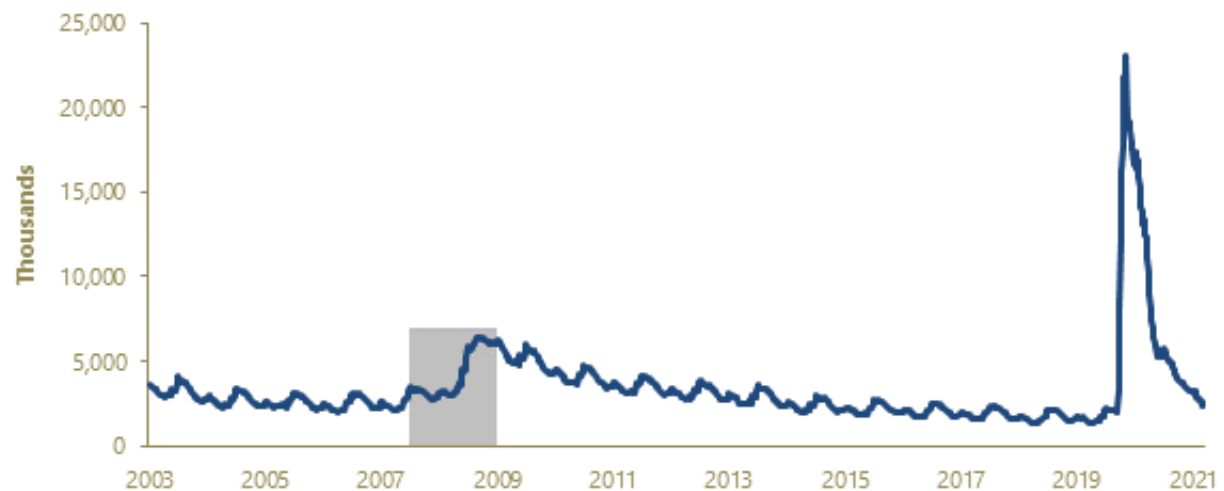
Initial Claims
4-Week Average



Persons Collecting Unemployment Compensation
Not Seasonally Adjusted

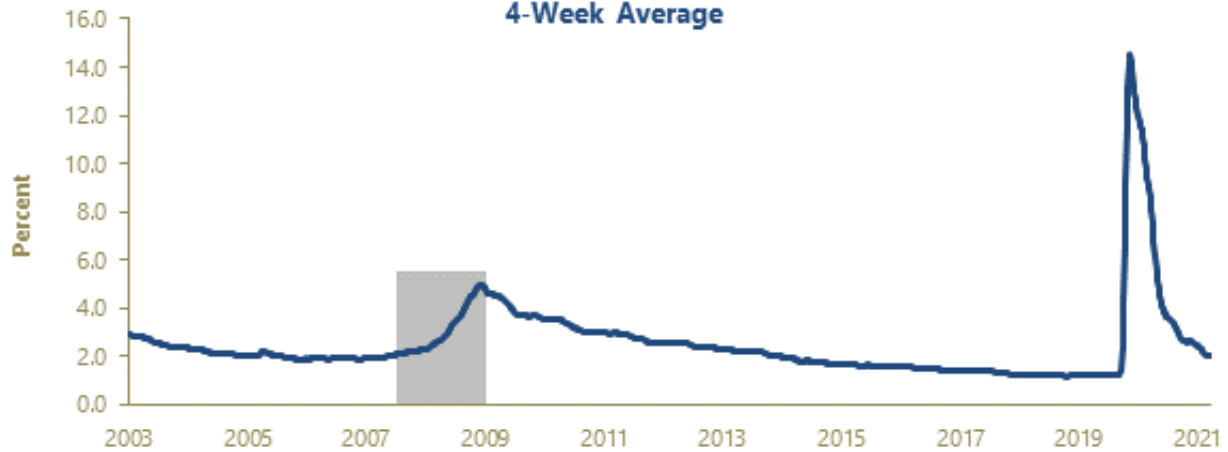


Continuing Claims
Not Seasonally Adjusted



Insured Jobless Rate

4-Week Average



	18-Sep	11-Sep	4-Sep	28-Aug	21-Aug	14-Aug	7-Aug	31-Jul	24-Jul
Initial Claims (000's)	351	335	312	345	354	349	377	387	399
Weekly Change	16	23	-33	-9	5	-28	-10	-12	-25
4-Week Average	336	337	340	356	367	378	397	395	394
Weekly Change	-1	-4	-16	-11	-11	-19	2	0	8
Continuing Claims (000's)		2,845	2,714	2,852	2,805	2,908	2,865	2,899	2,980
Weekly Change		131	-138	47	-103	43	-34	-81	-316
4-Week Average		2,804	2,820	2,858	2,869	2,913	3,010	3,109	3,201
Weekly Change		-16	-38	-12	-44	-97	-99	-92	-97
Insured Jobless Rate (%)		2.1	2.0	2.1	2.0	2.1	2.1	2.1	2.2

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	September 23, 2021	Steven A. Wood, Senior Economic Adviser
---------------------------------	--------------------	---