contingentmacro Economics

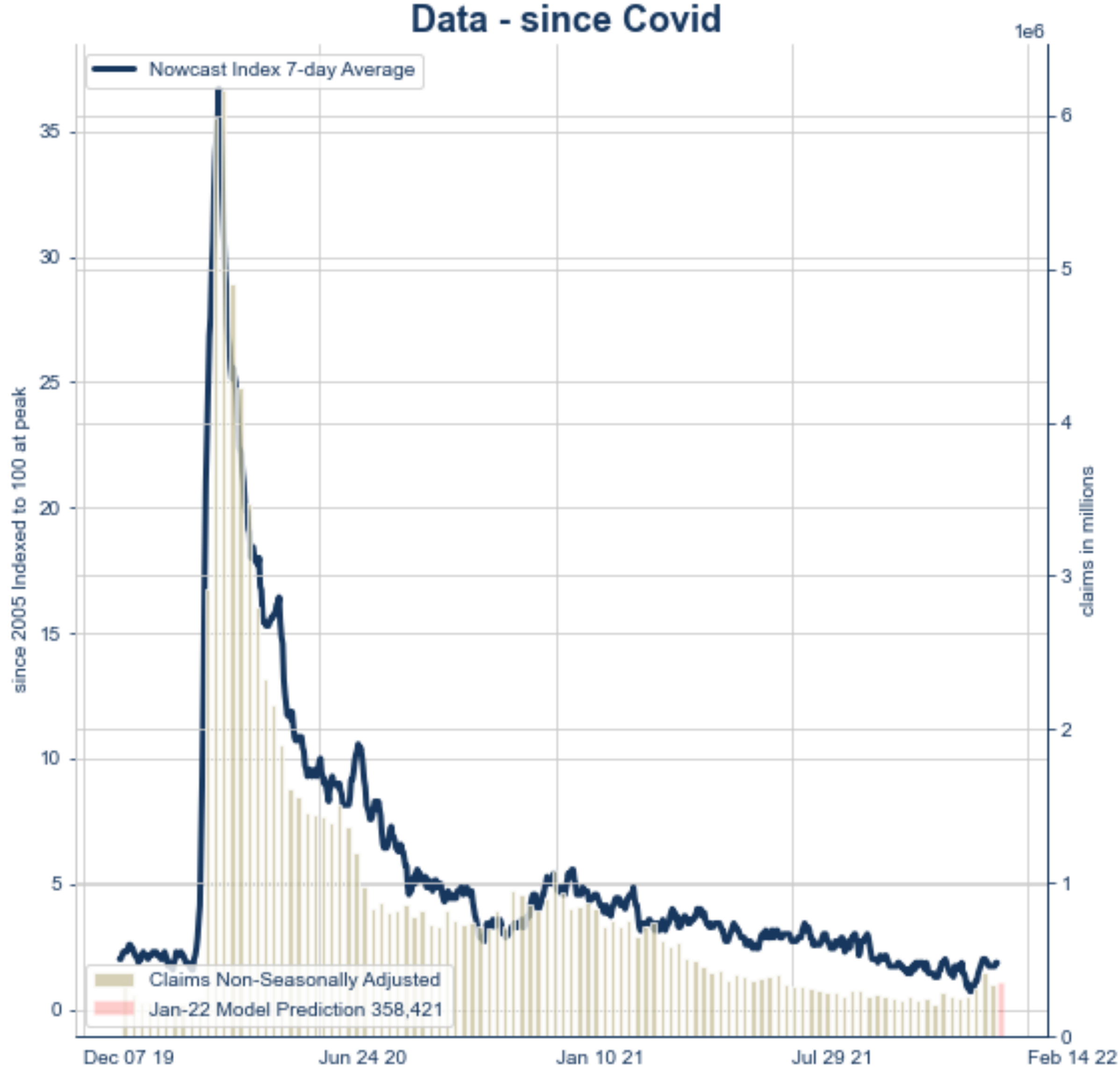
20.Jan.2022

Jobless Claims: Another Sharp Increase

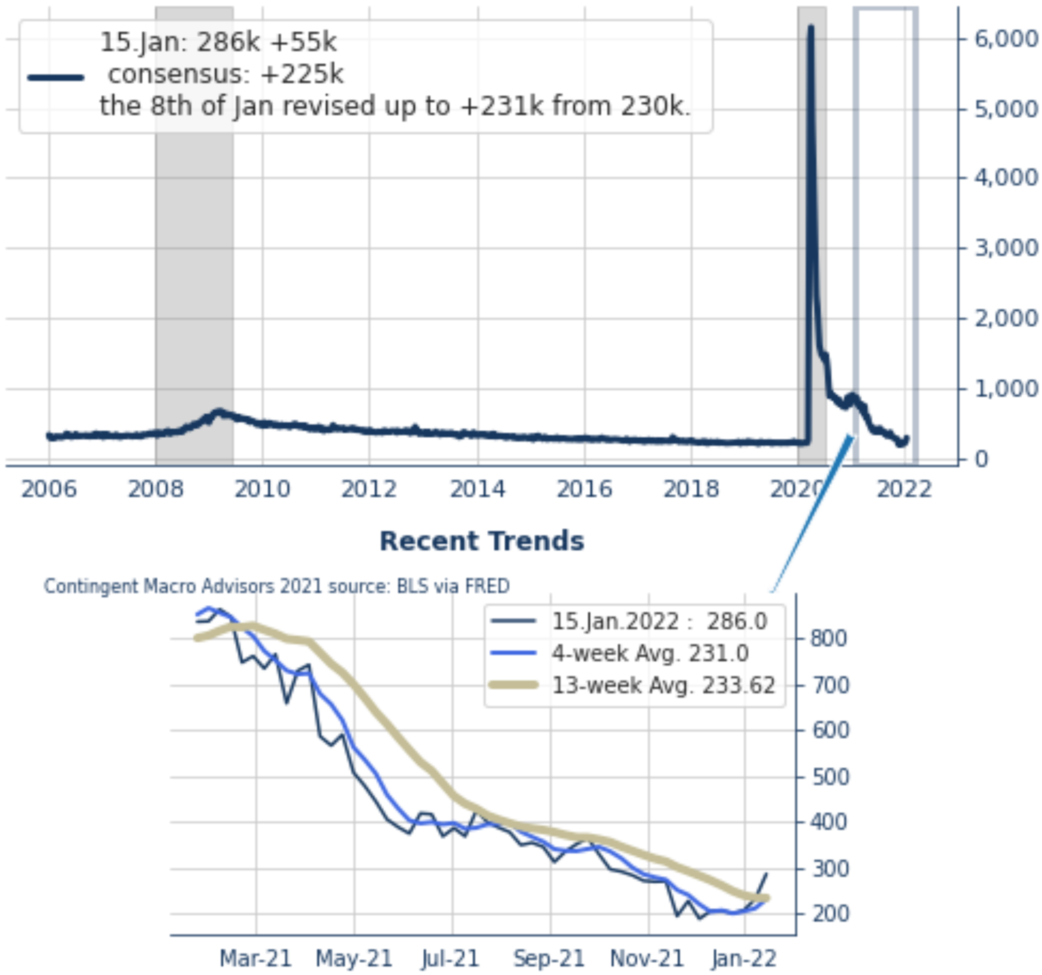
Bottom Line: Claims rose sharply on a seasonally adjusted basis in the second full week of 2022 as employment offices continued to process more backlogs than typical for this time of year. We've been concerned for several weeks now that our Nowcast index for claims was running sharply higher than reported claims, suggesting processing bottlenecks. That said, seasonal adjustments remain significant, and claims in California were estimated last week. Overall, looking through the volatility, the trend has turned notably to start the year. While the omicron variant has tended to cause less severe symptoms, it appears enough to have hindered employment as families struggle with issues like childcare when a member of their household gets a positive test.

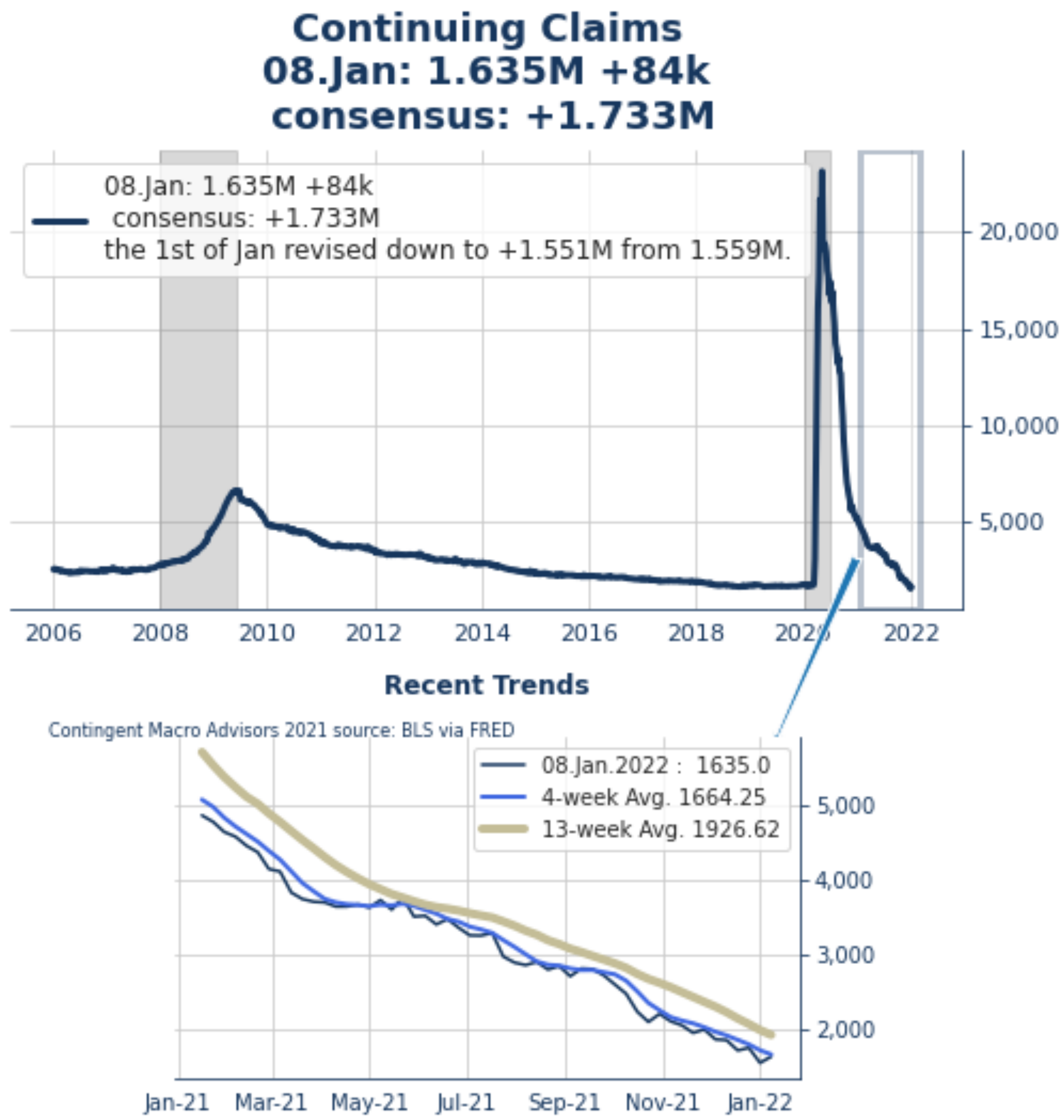
Our Nowcast index suggests we could see one more week of notably higher claims before they should top out. This bears close watching going forward. If claims remain over 250k as the March FOMC approaches, the monetary policy calculus could shift significantly.

Claims vs. Nowcast Index
Data - since Covid



Initial Jobless Claims
15.Jan: 286k +55k
consensus: +225k





Initial Jobless Claims ROSE 55k in the week ended January 15th to 286k, ABOVE the 4-week average of 231k, ABOVE the 13-week average of 233.61538k but 600k BELOW the year-ago level. Claims for the 8th of Jan were revised up from +230k to +231k. Non-seasonally adjusted Claims FELL 83.418k

Continuing Claims ROSE 84k in the week ended January 8th to 1.635M, BELOW the 4-week average of 1.66425M, BELOW the 13-week average of 1.926615M and 3.426M BELOW the year-ago level. Continuing Claims for the 1st of Jan were revised down from +1.559M to +1.551M.

The Insured Jobless Rate ROSE 10bps in the week ended January 8thThe insured jobless rate only reflects the number of people collecting regular state unemployment insurance.

US Weekly Jobless Claims in 000s	Jan-15	Jan-08	Jan-01	Dec-25	Dec-18	Dec-11	Dec-04	Nov-27

Initial Jobless Claims SA	**286**	**231**	**207**	**200**	**206**	**205**	**188**	**227**
wk chg (SA)	**55**	**24**	**7**	**-6**	**1**	**17**	**-39**	**33**
Initial Jobless Claims NSA	337	421	316	258	255	266	284	217
wk chg (NSA)	-83	105	58	3	-11	-18	67	-36
4-week avg (SA)	231	211	204	200	206	204	220	240
chg in 4wk avg	20	6	5	-7	3	-16	-20	-11
13-week avg (SA)	234	234	239	248	261	272	282	292
chg in 13k avg	-0	-5	-9	-13	-11	-10	-10	-9

Continuing Claims in 000s (one week lag)	Jan-08	Jan-01	Dec-25	Dec-18	Dec-11	Dec-04	Nov-27	Nov-20
Continuing Claims SA	**1,635**	**1,551**	**1,753**	**1,718**	**1,856**	**1,867**	**1,999**	**1,954**
wk chg (SA)	**84**	**-202**	**35**	**-138**	**-11**	**-132**	**45**	**-101**
Continuing Claims NSA	2,076	2,050	1,870	1,639	1,828	1,735	1,966	1,561
wk chg (NSA)	26	180	231	-189	93	-231	405	-259
4-week avg (SA)	1,664	1,720	1,798	1,860	1,919	1,969	2,029	2,082
chg in 4wk avg	-55	-79	-62	-59	-50	-60	-52	-37
13-week avg (SA)	1,927	1,992	2,073	2,147	2,232	2,306	2,371	2,437
chg in 13k avg	-65	-81	-75	-84	-74	-65	-66	-65

source: Bureau of Labor Statistics via St. Louis Fed FRED