

07.Oct.2021

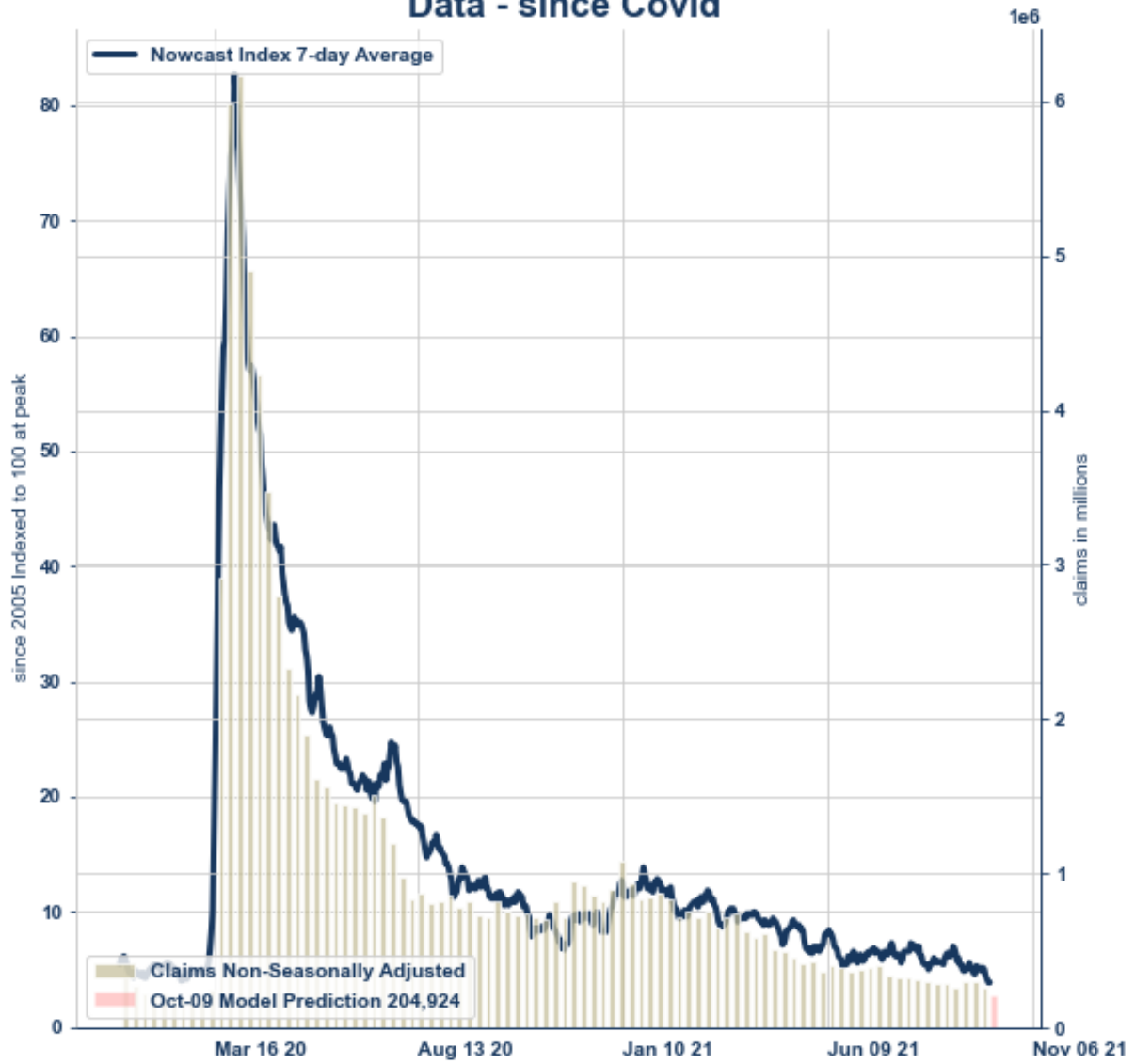
Jobless Claims: Declining Again

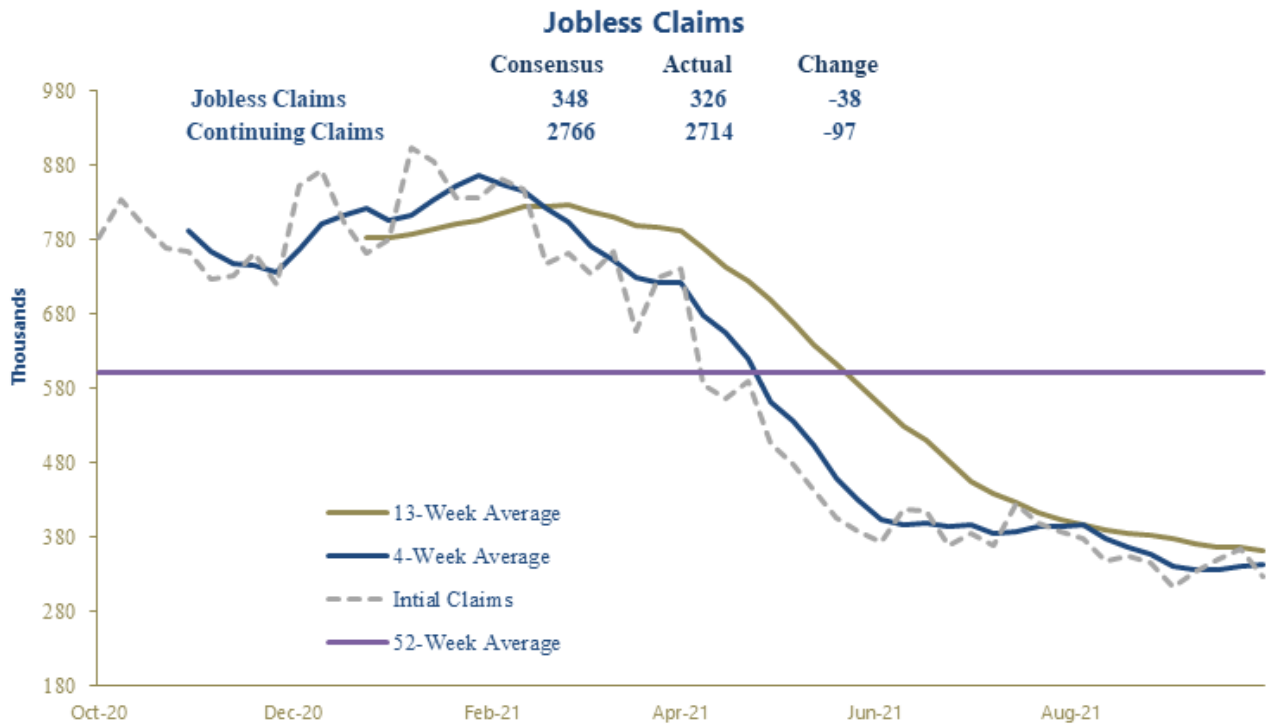
Bottom Line: Jobless claims fell last week after two weeks of surprising increases. Most of the recent volatility was due to spikes in certain states, like California, where employment offices cleared backlogs in the wake of the end of federal programs and the start of state assistance programs. While we expect more volatility in the coming weeks, especially with temporary auto plant shutdowns due to the semiconductor shortage, the trend towards lower jobless claims remains intact.

Our Nowcast model confirms that the recent jump is likely due to processing anomalies. It suggests the unadjusted claim count is likely closer to 200k and still trending lower.



Claims vs. Nowcast Index Data - since Covid





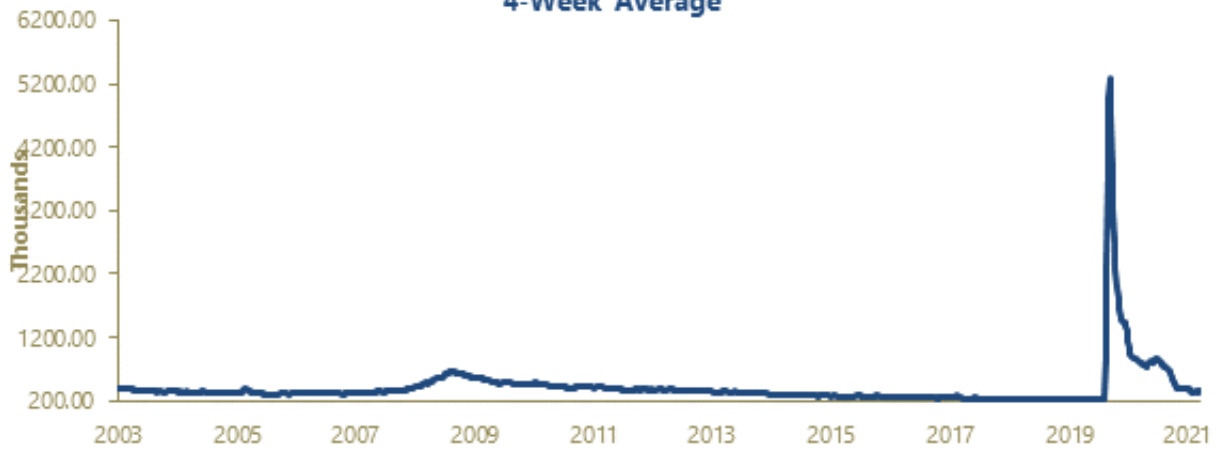
Jobless Claims FELL by 38k during the week ended October 2nd to 326k, compared with market expectations for an increase to 348k. The 4-week average ROSE by 3.5k to 344k and the 13 week average FELL by 4.6k to 361k.

Continuing Claims FELL by 97k during the week ended September 25th to 2,714k, The 4-week average FELL by 35k to 2,765k.

On a non-seasonally adjusted basis, Continuing Claims FELL by 79k to 2,391k during the week ended September 18th.

The Insured Jobless Rate FELL by 0.1% to 2.0% during the week ended September 25th. The insured jobless rate only reflects the number of people collecting regular state unemployment insurance.

Initial Claims 4-Week Average



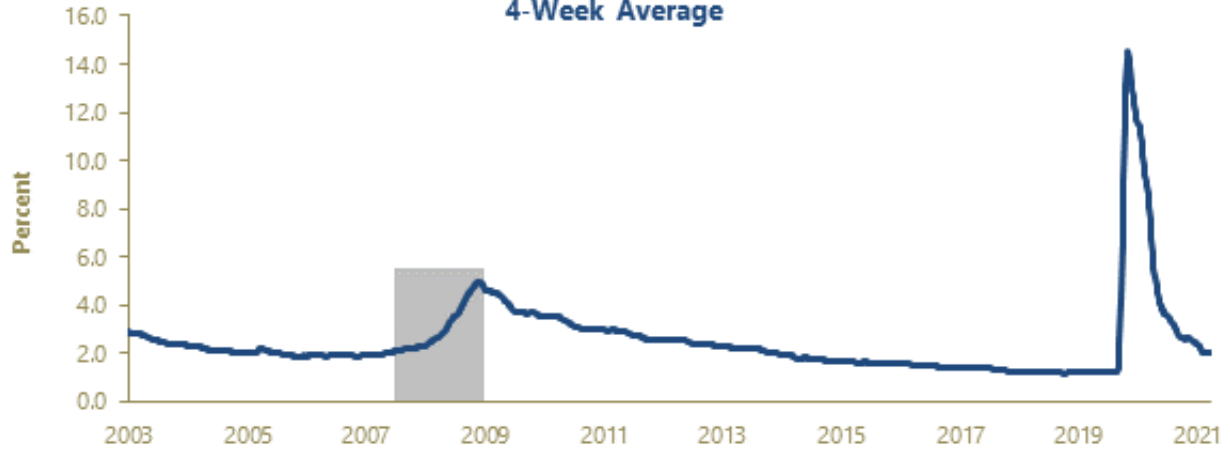
Persons Collecting Unemployment Compensation Not Seasonally Adjusted



Continuing Claims Not Seasonally Adjusted



Insured Jobless Rate 4-Week Average



	2-Oct	25-Sep	18-Sep	11-Sep	4-Sep	28-Aug	21-Aug	14-Aug	7-Aug
Initial Claims (000's)	326	364	351	335	312	345	354	349	377
Weekly Change	-38	13	16	23	-33	-9	5	-28	-10
4-Week Average	344	341	336	337	340	356	367	378	397
Weekly Change	4	5	-1	-4	-16	-11	-11	-19	2
Continuing Claims (000's)		2,714	2,811	2,820	2,715	2,852	2,805	2,908	2,865
Weekly Change		-97	-9	105	-137	47	-103	43	-34
4-Week Average		2,765	2,800	2,798	2,820	2,858	2,869	2,913	3,010
Weekly Change		-35	2	-22	-38	-12	-44	-97	-99
Insured Jobless Rate (%)		2.0	2.1	2.1	2.0	2.1	2.0	2.1	2.1

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	October 7, 2021	Steven A. Wood, Senior Economic Adviser
---------------------------------	-----------------	---