

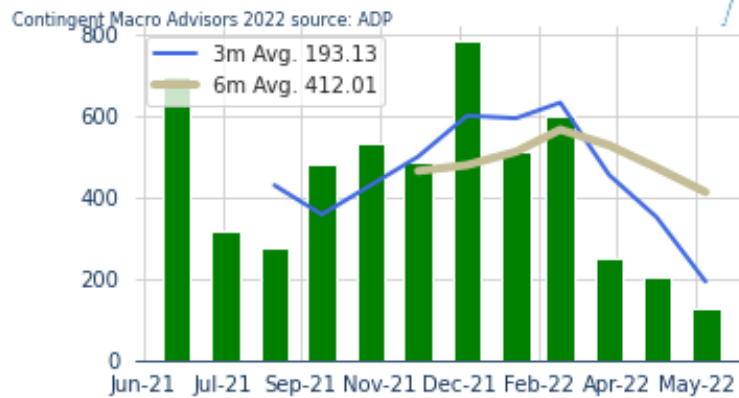
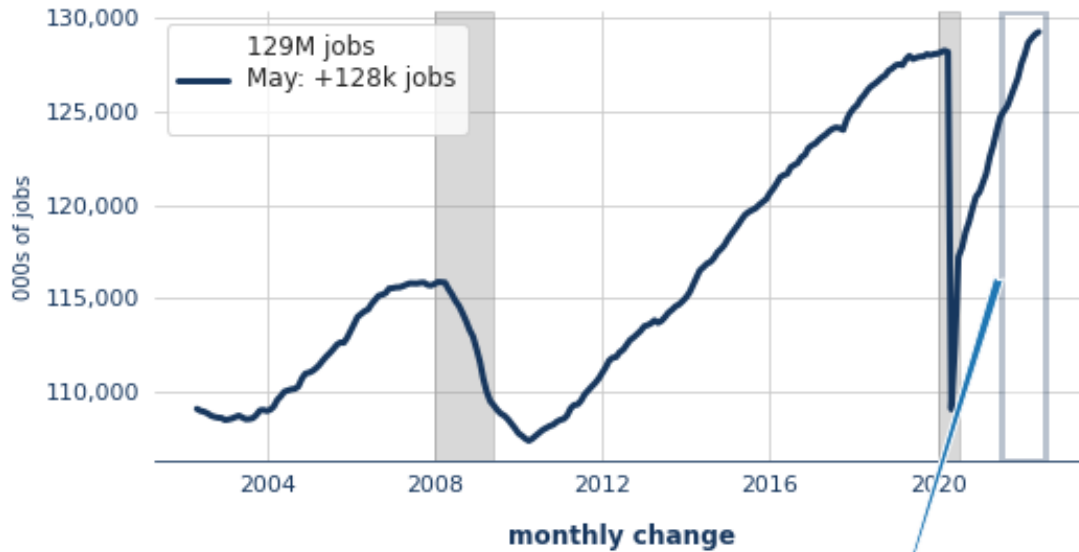
02.Jun.2022

## **ADP & Claims: Slower Gains, Claims Still Show Tight Market**

**Bottom Line:** ADP reported slower job gains than expected in May. And April gains were revised modestly lower. Construction jobs were notably lower as housing activity slowed. And the gains in the leisure and hospitality sector slowed. On a trend basis, leisure and hospitality hiring has decelerated sharply with the three months ended in May running at an average of 42k, well below the six and 12-month averages of 120k and 144k, respectively. Of course, this is to be expected after 18 months of strong hiring as the sector rebounded from Covid shutdowns. **Overall, hiring appears to be decelerating towards of around 200k jobs per month. While the deceleration might have arrived a few months earlier than expected, this still appears to be a normal return to equilibrium after an incredibly volatile two-year period. That said, this report leaves some downside risk for the government's national payroll survey due tomorrow, expected to be 325k.**

Separately, jobless claims fell again, dropping back to 200k and further reaffirming the notion that labor markets remain tight but are reaching a point of equilibrium, where claims should run in the 180 - 220k range.

## ADP - Total private jobs May: +128, consensus: +300



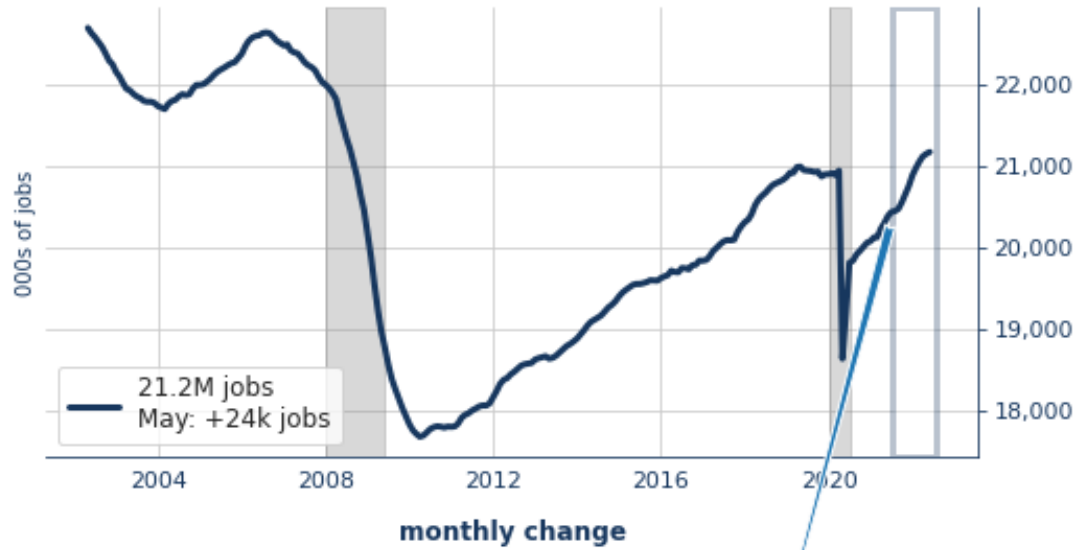
**ADP National Employment** ROSE by 128k in May, compared with the consensus estimate for a gain of 300k. Over the past 12 months, private payrolls have increased by an average of 438k per month, lifting employment to 4.2% ABOVE its year-ago level.

**Jobs in Goods-Producing Industries** ROSE by 24k jobs as Manufacturing gained 22k workers but Construction lost 2k jobs.

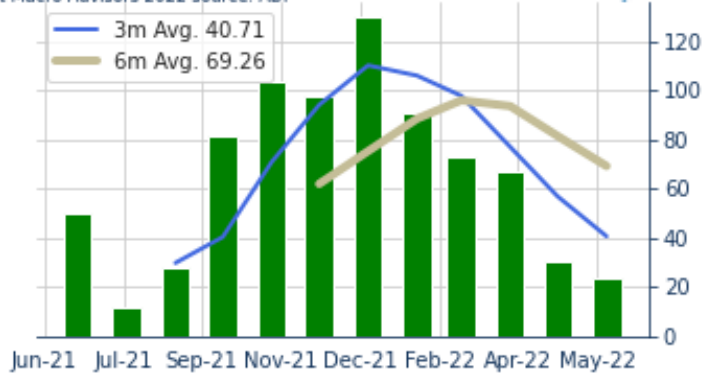
**Service-Producing Industries** ROSE by 104k jobs with Professional/Business Services hiring 24k workers, Trade/Transport/Utilities adding 8k, and Financial Activities increasing by 10k workers.

Small Firms fired 91k workers, Medium-Sized Firms grew by 97k employees while Large Firms added 122k positions.

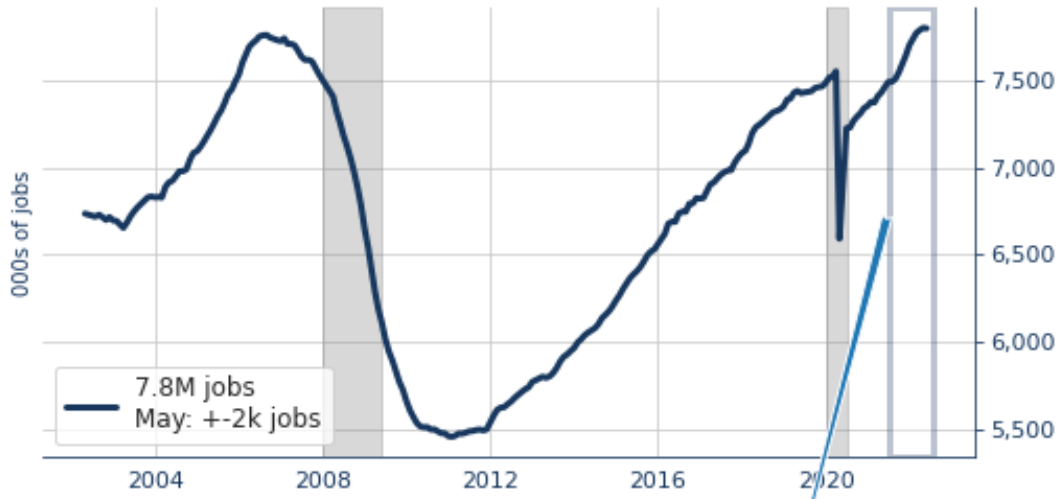
## ADP - Goods producing jobs



Contingent Macro Advisors 2022 source: ADP

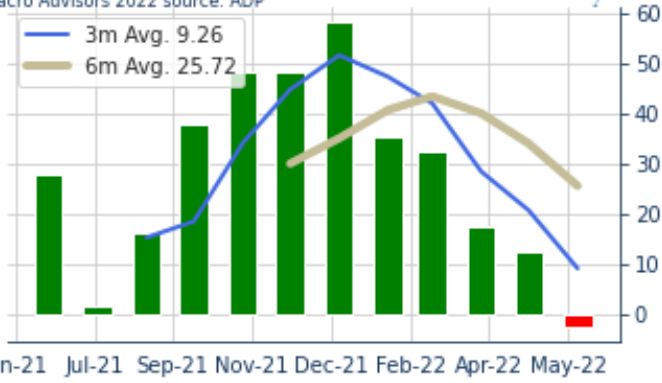


# ADP - Construction jobs



## monthly change

Contingent Macro Advisors 2022 source: ADP

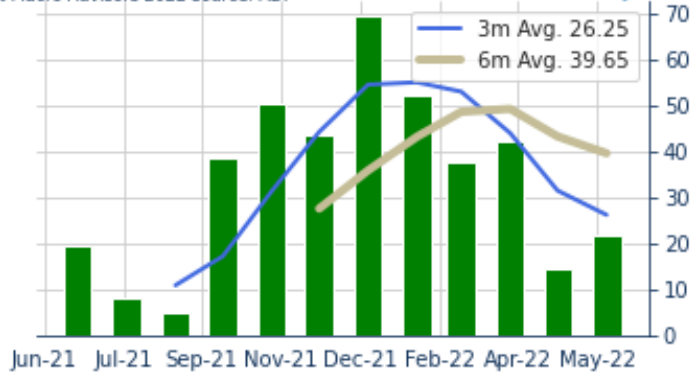


# ADP - Manufacturing jobs

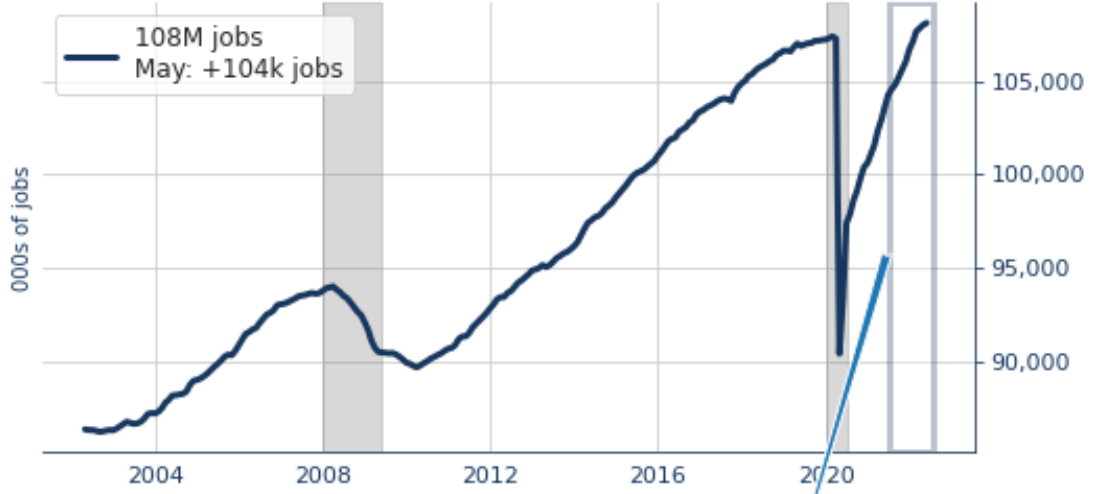


## monthly change

Contingent Macro Advisors 2022 source: ADP

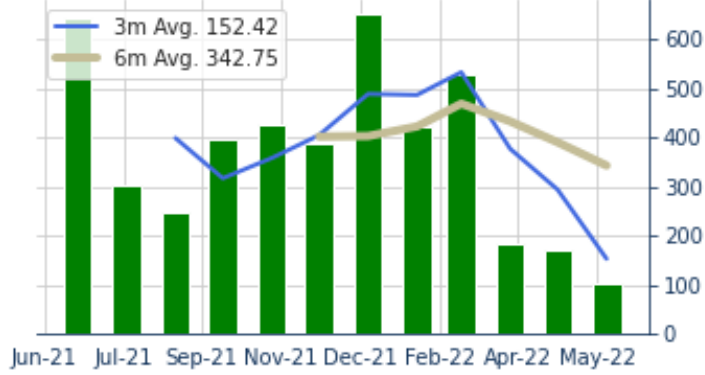


# ADP - Service providing jobs

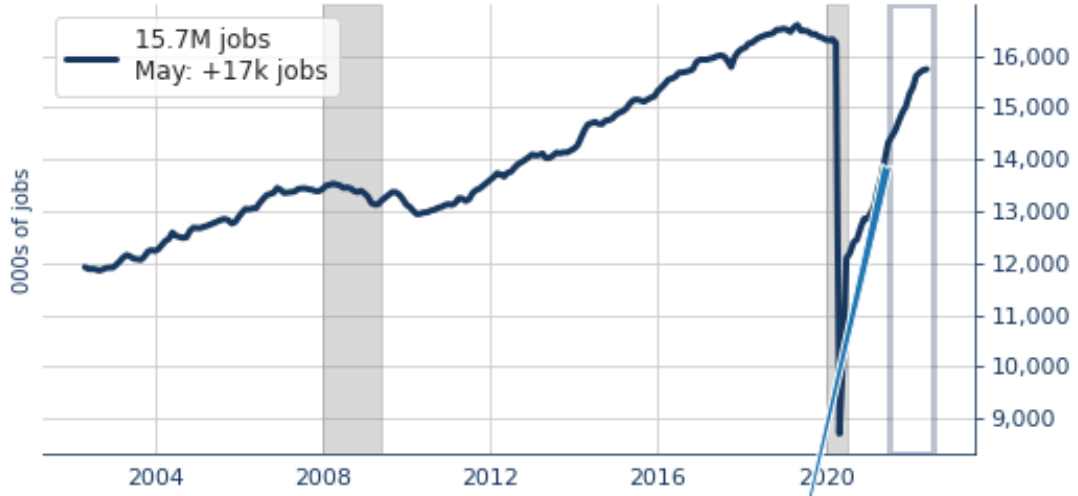


## monthly change

Contingent Macro Advisors 2022 source: ADP

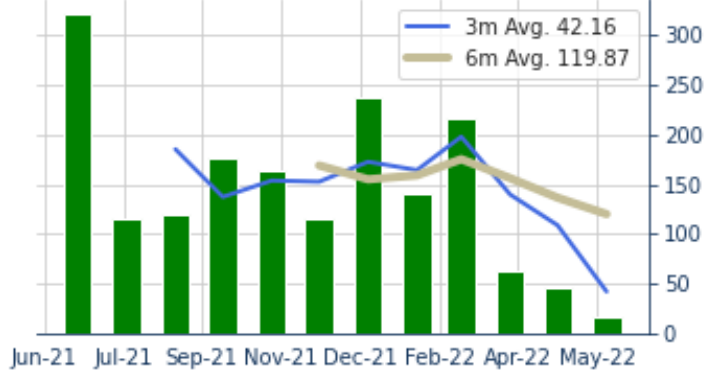


## ADP - Leisure & hospitality jobs

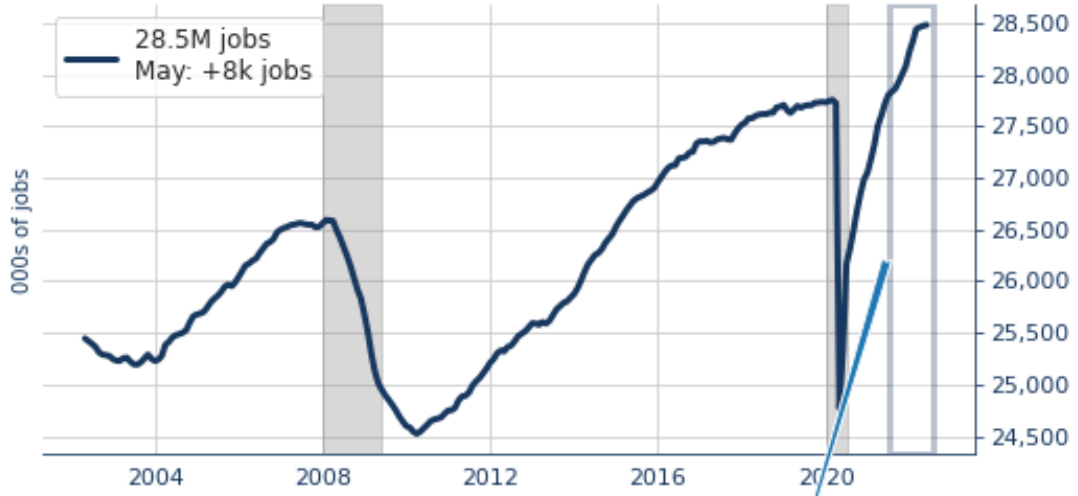


### monthly change

Contingent Macro Advisors 2022 source: ADP

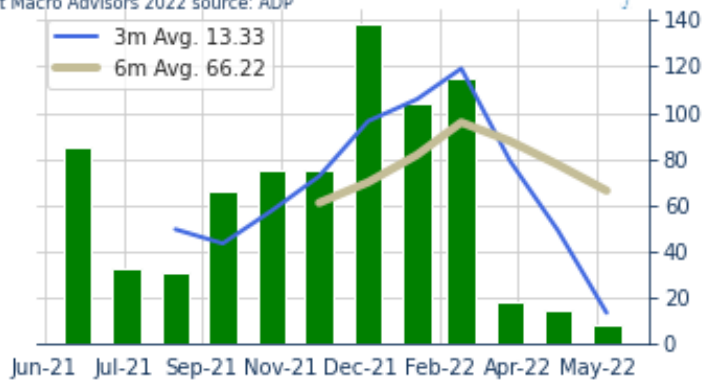


# ADP - Trade/transp./utilities jobs



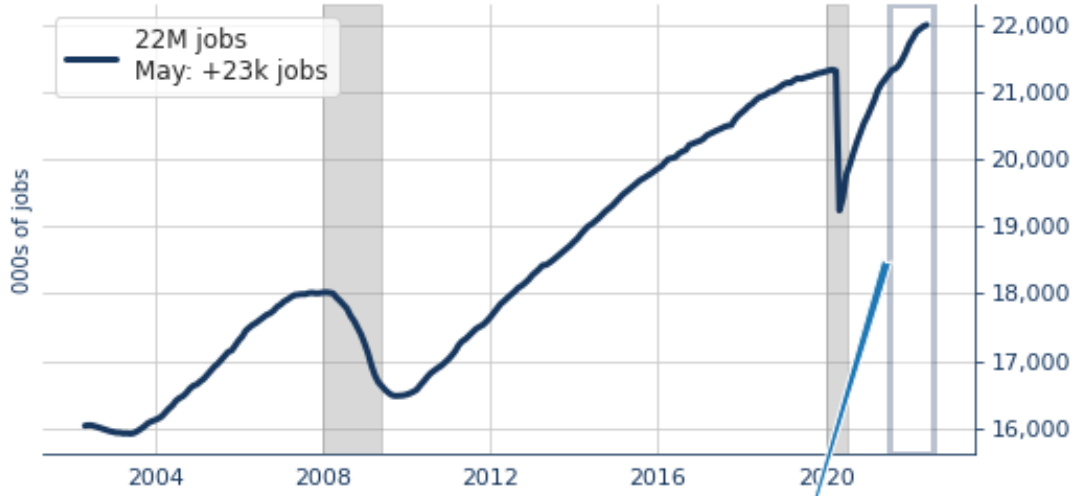
## monthly change

Contingent Macro Advisors 2022 source: ADP



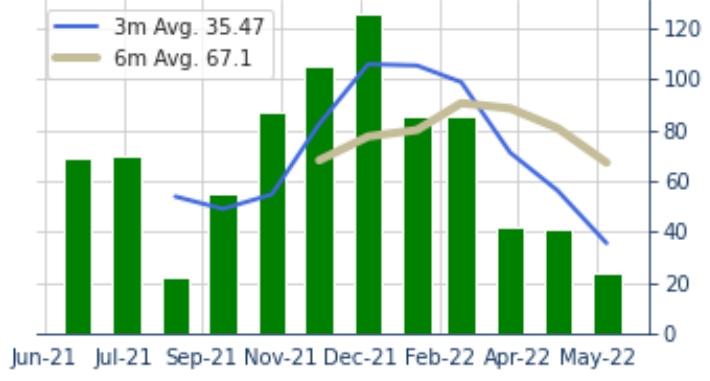


# ADP - Prof./business services jobs

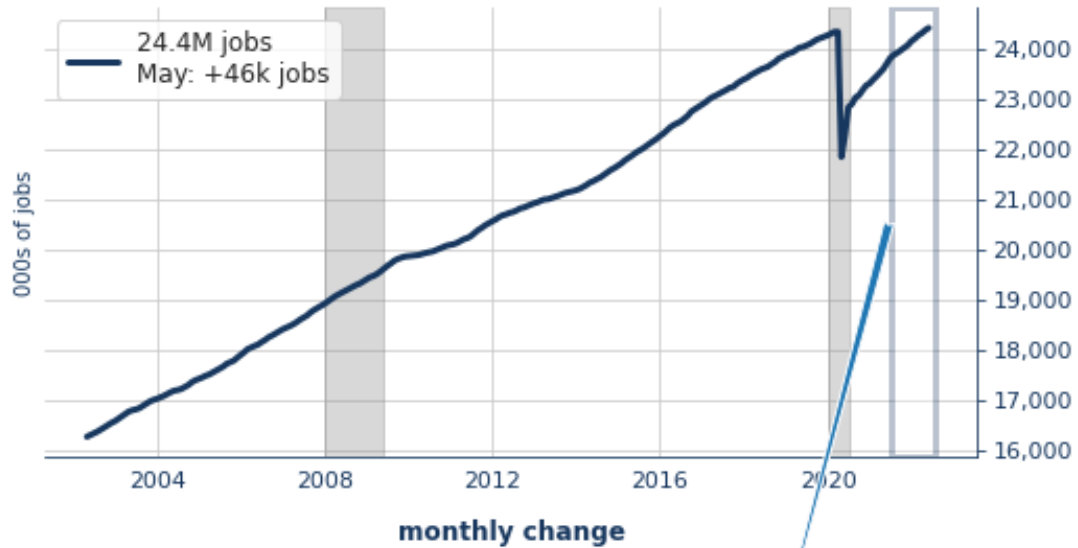


## monthly change

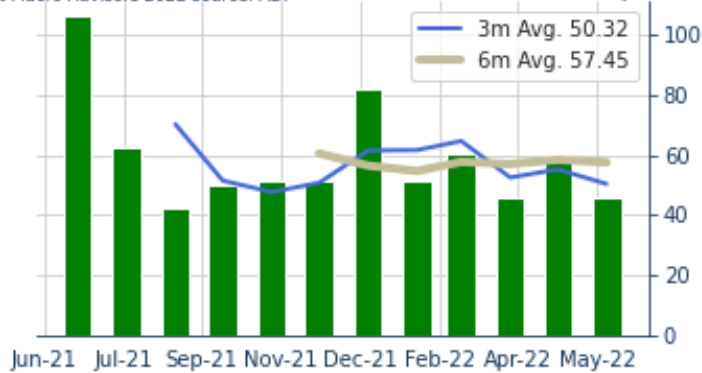
Contingent Macro Advisors 2022 source: ADP



## ADP - Education & health services jobs



Contingent Macro Advisors 2022 source: ADP



ADP Private Payrolls monthly change in k	May-22	Apr-22	Mar-22	3m Avg	6m Avg	12m Avg	2021	5y Avg
<b>Total private</b>	<b>128.23</b>	<b>202.02</b>	<b>249.15</b>	<b>193.13</b>	<b>412.01</b>	<b>437.90</b>	<b>573.43</b>	<b>88.55</b>
<b>Goods producing</b>	<b>24.01</b>	<b>30.83</b>	<b>67.28</b>	<b>40.71</b>	<b>69.26</b>	<b>65.63</b>	<b>67.42</b>	<b>18.86</b>
<b>Service providing</b>	<b>104.21</b>	<b>171.19</b>	<b>181.87</b>	<b>152.42</b>	<b>342.75</b>	<b>372.27</b>	<b>506.01</b>	<b>69.69</b>
Construction	-2.30	12.42	17.65	9.26	25.72	27.94	29.02	14.33
Natural resources & mining	4.53	3.76	7.33	5.21	3.89	4.06	2.85	-0.99
Manufacturing	21.78	14.65	42.31	26.25	39.65	33.63	35.55	5.52
Prof./business services	23.50	40.73	42.20	35.47	67.10	67.57	89.55	26.06
Professional services	19.12	21.04	15.84	18.67	30.98	34.16	40.41	19.21
Management of companies	0.53	0.50	0.31	0.45	2.76	2.45	2.65	1.17
Administrative & support services	3.84	19.19	26.05	16.36	33.35	30.95	46.49	5.68

Education & health services	45.83	59.62	45.50	50.32	57.45	58.93	70.68	21.91
Healthcare	41.01	53.34	41.18	45.18	51.46	47.83	54.42	21.66
Education	4.82	6.29	4.32	5.14	5.99	11.10	16.26	0.25
Leisure & hospitality	17.13	47.10	62.25	42.16	119.87	144.28	200.37	-4.22
Trade/transp./utilities	7.77	14.53	17.68	13.33	66.22	63.59	97.30	18.49
Information	-2.20	-2.35	-2.60	-2.39	3.30	5.64	9.62	0.61
Financial activities	10.14	7.48	10.36	9.33	13.20	12.76	12.04	8.07
Other services	2.04	4.09	6.47	4.20	15.61	19.51	26.45	-1.23

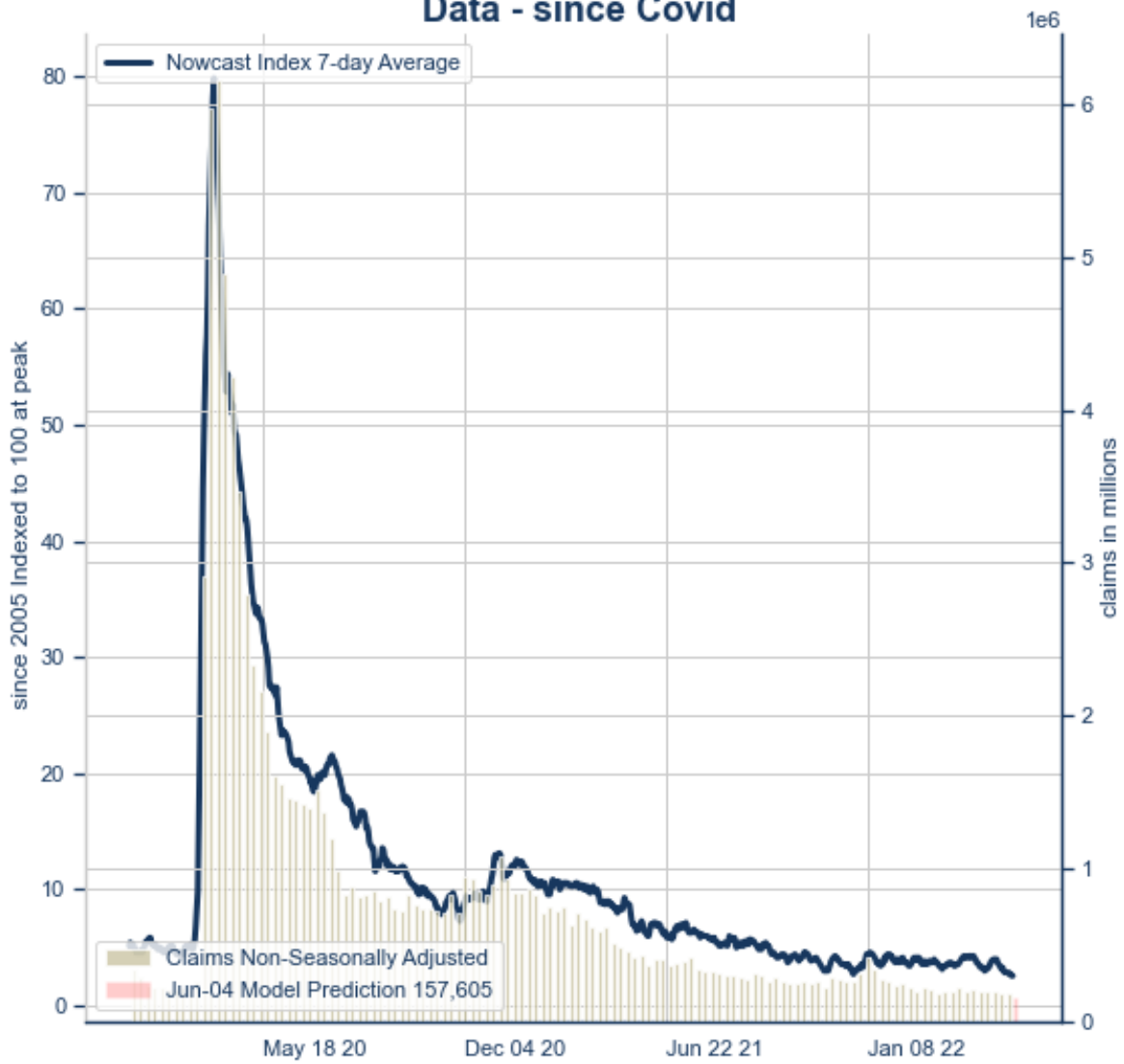
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**Initial Jobless Claims** FELL 11k in the week ended May 28th to 200k, BELOW the 4-week average of 206.5k, ABOVE the 13-week average of 189.23077k and 227k BELOW the year-ago level. Claims for the 21st of May were revised up from +210k to +211k. Non-seasonally adjusted Claims were nearly unchanged, 2.921k

**Continuing Claims** FELL 34k in the week ended May 21st to 1.309M, BELOW the 4-week average of 1.32725M, BELOW the 13-week average of 1.447308M, and 2.266M BELOW the year-ago level. Continuing Claims for the 14th of May were revised down from +1.346M to +1.343M.

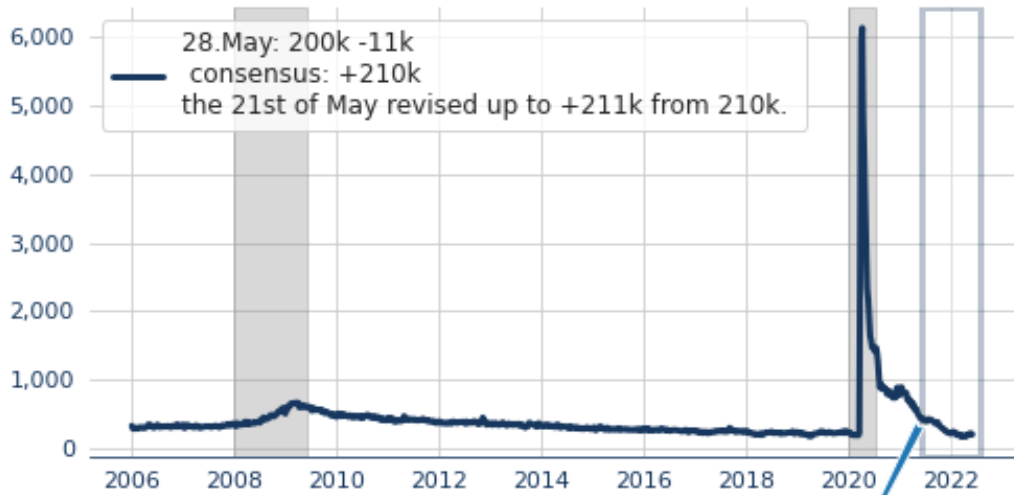


# Claims vs. Nowcast Index Data - since Covid



# Initial Jobless Claims

**28.May: 200k -11k**  
**consensus: +210k**



## Recent Trends

Contingent Macro Advisors 2021 source: BLS via FRED





<b>Continuing Claims SA</b>	<b>1309.00</b>	<b>1343.00</b>	<b>1315.00</b>	<b>1342.00</b>	<b>1387.00</b>	<b>1403.00</b>	<b>1407.00</b>	<b>1474.00</b>
<b>wk chg (SA)</b>	<b>-34.00</b>	<b>28.00</b>	<b>-27.00</b>	<b>-45.00</b>	<b>-16.00</b>	<b>-4.00</b>	<b>-67.00</b>	<b>-55.00</b>
Continuing Claims NSA	1259.16	1290.38	1283.46	1333.57	1405.95	1442.56	1464.89	1570.28
wk chg (NSA)	-31.22	6.92	-50.10	-72.39	-36.61	-22.33	-105.39	-87.56
4-week avg (SA)	1327.25	1346.75	1361.75	1384.75	1417.75	1453.25	1479.00	1512.75
chg in 4wk avg	-19.50	-15.00	-23.00	-33.00	-35.50	-25.75	-33.75	-30.00
13-week avg (SA)	1447.31	1471.46	1493.77	1524.46	1555.31	1583.77	1613.31	1641.69
chg in 13k avg	-24.15	-22.31	-30.69	-30.85	-28.46	-29.54	-28.38	-23.38

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