

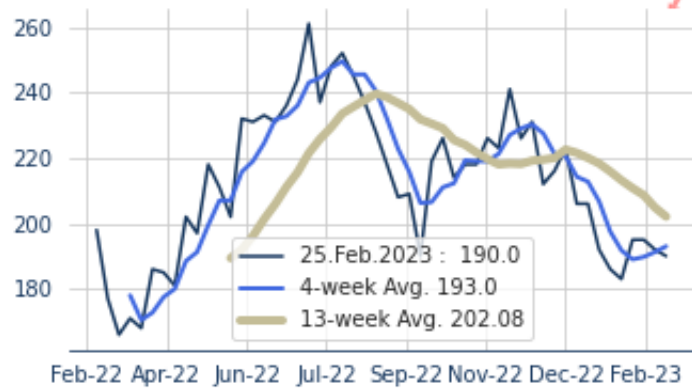
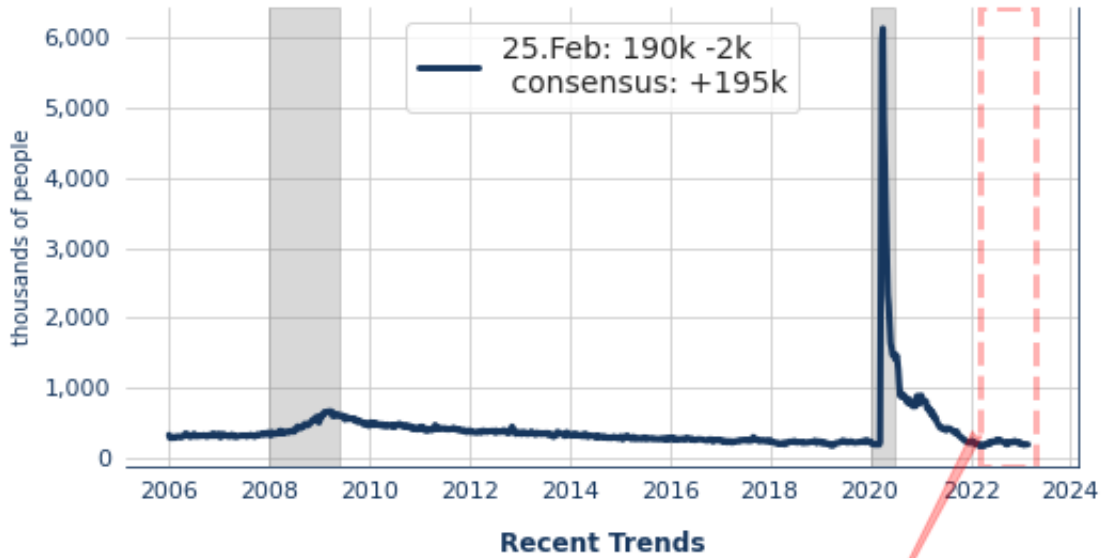
02.Mar.2023

## **Jobless Claims: Another Surprising Drop**

**Bottom Line:** Jobless claims dropped to their lowest level in five weeks, dropping to 190k, below expectations for a rebound to 195k. Our Nowcast model has also confirmed the stubbornly low level of claims, with this week running nearly unchanged from last week. While the models have forecast claims correctly, the overall low level remains surprising relative to the slow pace of overall economic growth. We remain mindful that some employees who lost jobs in the early rounds of significant company layoff announcements last year will start to lose severance pay and could be looking to collect benefits in the coming months. So while claims remain historically low, we are watching closely for signs of an uptick in the trend. So far, there are none.

## Initial Jobless Claims

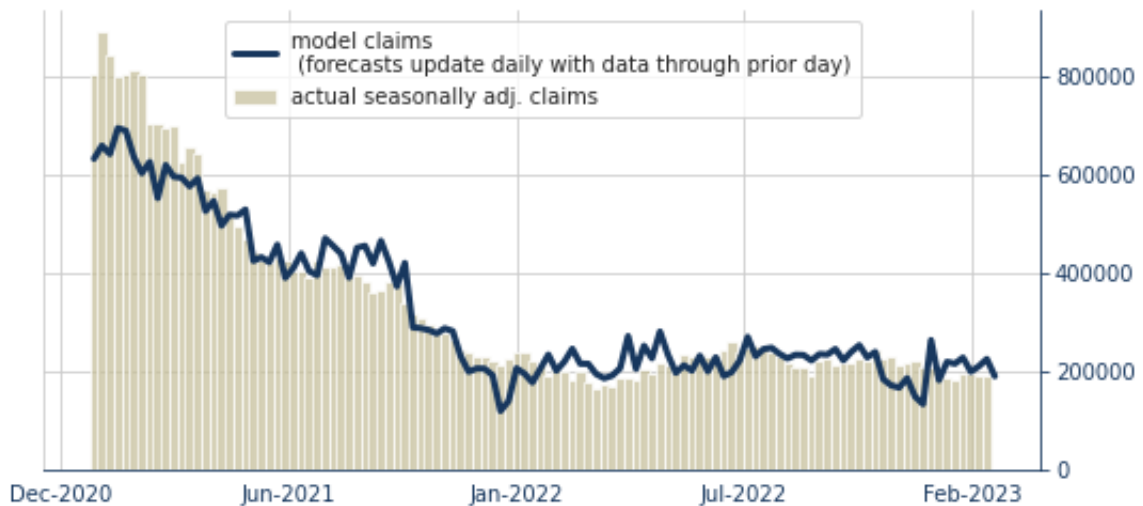
25.Feb: 190k -2k consensus: +195k



Contingent Macro Advisors 2023 source: BLS via FRED

## Nowcasting Initial Jobless Claims

Our Nowcast model forecast a decline of -706 this week to 189k.



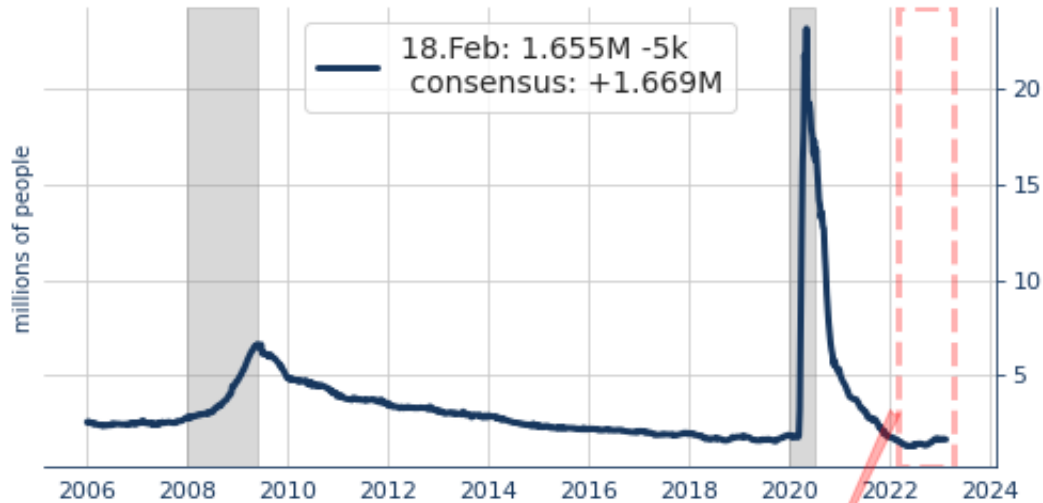
**Initial Jobless Claims** FELL -2k in the week ended February 25th to 190k, BELOW

the 4-week average of 193k, BELOW the 13-week average of 202.07692k but 8k ABOVE the year-ago level. Non-seasonally adjusted Claims FELL -9.297k

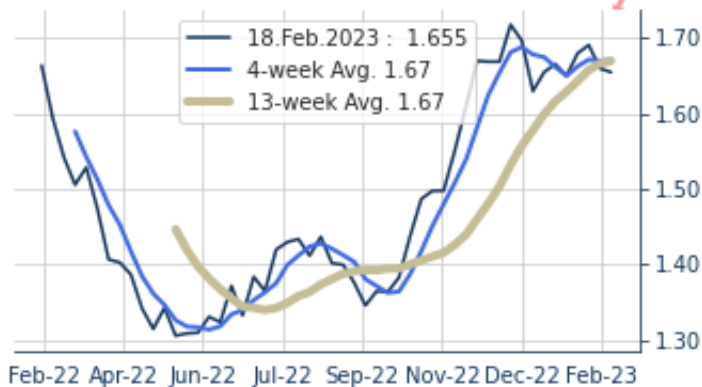
**Continuing Claims** FELL -5k in the week ended February 18th to 1.655M, BELOW the 4-week average of 1.6715M, BELOW the 13-week average of 1.67M but 32k ABOVE the year-ago level. Continuing Claims for the 11th of Feb were revised up from +1.654M to +1.66M

## Continuing Claims

Uptrend that started in late '22 has lost momentum.



### Recent Trends



Contingent Macro Advisors 2023 source: BLS via FRED

US Weekly Jobless Claims in 000s	Feb-25	Feb-18	Feb-11	Feb-04	Jan-28	Jan-21	Jan-14	Jan-07
<b>Initial Jobless Claims SA</b>	<b>190</b>	<b>192</b>	<b>195</b>	<b>195</b>	<b>183</b>	<b>186</b>	<b>192</b>	<b>206</b>
<b>wk chg (SA)</b>	<b>-2</b>	<b>-3</b>	<b>0</b>	<b>12</b>	<b>-3</b>	<b>-6</b>	<b>-14</b>	<b>0</b>
Initial Jobless Claims NSA	202	211	225	234	225	225	288	340
wk chg (NSA)	-9	-14	-9	9	-0	-63	-52	62
4-week avg (SA)	193	191	190	189	192	198	207	213

chg in 4wk avg	2	2	1	-3	-6	-9	-6	-2
13-week avg (SA)	202	205	209	211	213	216	218	220
chg in 13k avg	-3	-4	-2	-2	-3	-2	-2	-2
<b>Continuing Claims in 000s (one week lag)</b>	<b>Feb-11</b>	<b>Feb-04</b>	<b>Jan-28</b>	<b>Jan-21</b>	<b>Jan-14</b>	<b>Jan-07</b>	<b>Dec-31</b>	<b>Dec-24</b>
<b>Continuing Claims SA</b>	<b>1654</b>	<b>1691</b>	<b>1680</b>	<b>1650</b>	<b>1666</b>	<b>1655</b>	<b>1630</b>	<b>1697</b>
<b>wk chg (SA)</b>	<b>-37</b>	<b>11</b>	<b>30</b>	<b>-16</b>	<b>11</b>	<b>25</b>	<b>-67</b>	<b>-21</b>
Continuing Claims NSA	1922	1948	1926	1911	1864	1909	1870	1711
wk chg (NSA)	-27	23	15	47	-45	39	159	134
4-week avg (SA)	1669	1672	1663	1650	1662	1675	1678	1688
chg in 4wk avg	-3	9	12	-12	-13	-4	-10	7
13-week avg (SA)	1666	1658	1643	1629	1617	1599	1578	1558
chg in 13k avg	8	15	14	13	18	21	20	26

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