

Datanote: US Weekly Jobless Claims

In one line: Continuing claims consistent with flat unemployment in January.

- Initial jobless claims dropped to 207K, from 223K, below the consensus, 225K.

- Continuing claims fell to 1,858K, from 1,900K, also below the consensus, 1,902K.

The fall back in initial claims last week primarily reflects a fading uplift from wildfires in California. Cali claims swung from 12.8K above their level in the same week a year ago to 5.7K below in the most recent week. Claims are often volatile at this time of year and we continue to think that the seasonals have evolved too slowly for the shift in the timing of layoffs in recent years away from the winter months and towards the summer. Seasonally-adjusted claims also were very low at the start of 2023 and 2024,

and then picked up.

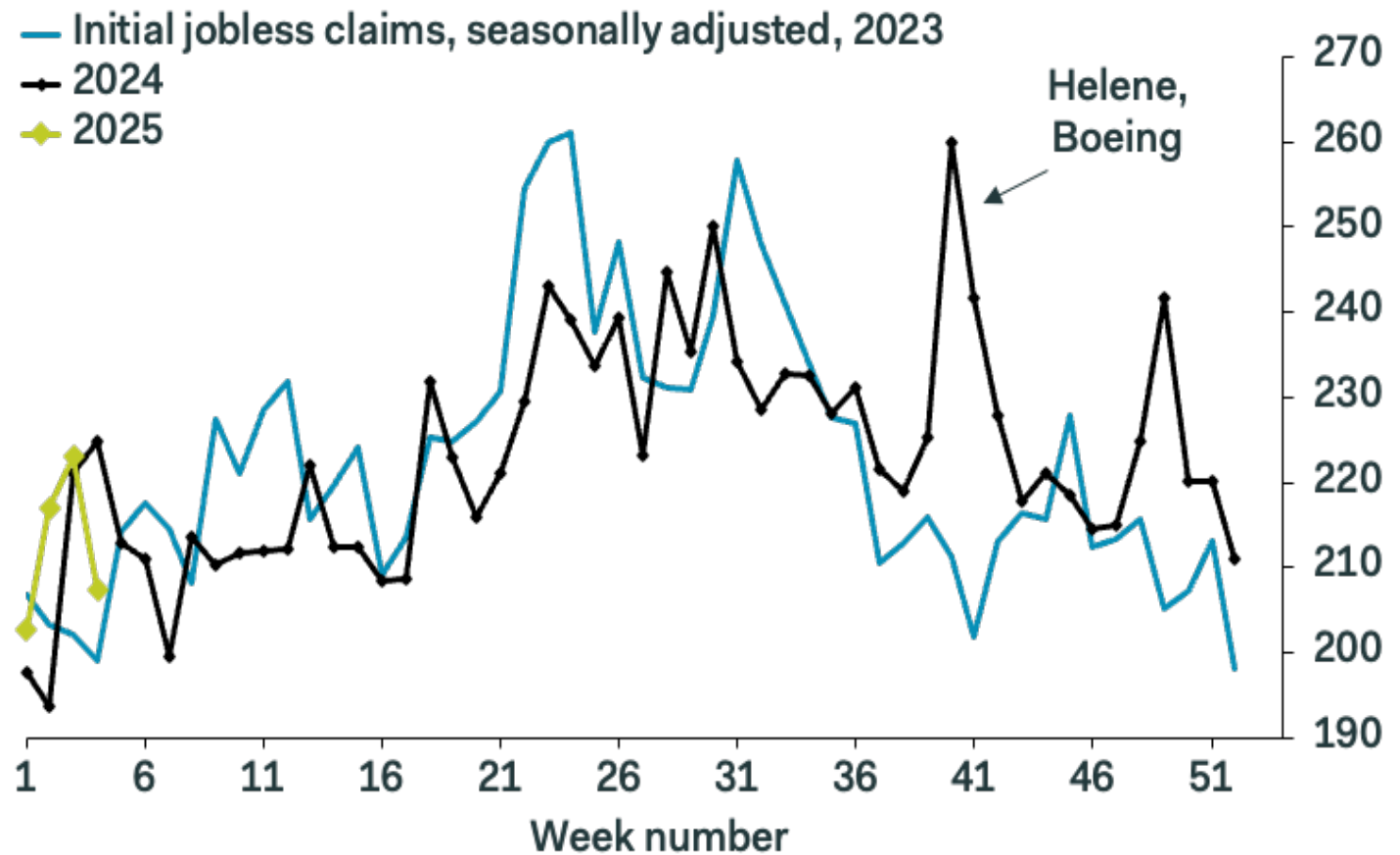
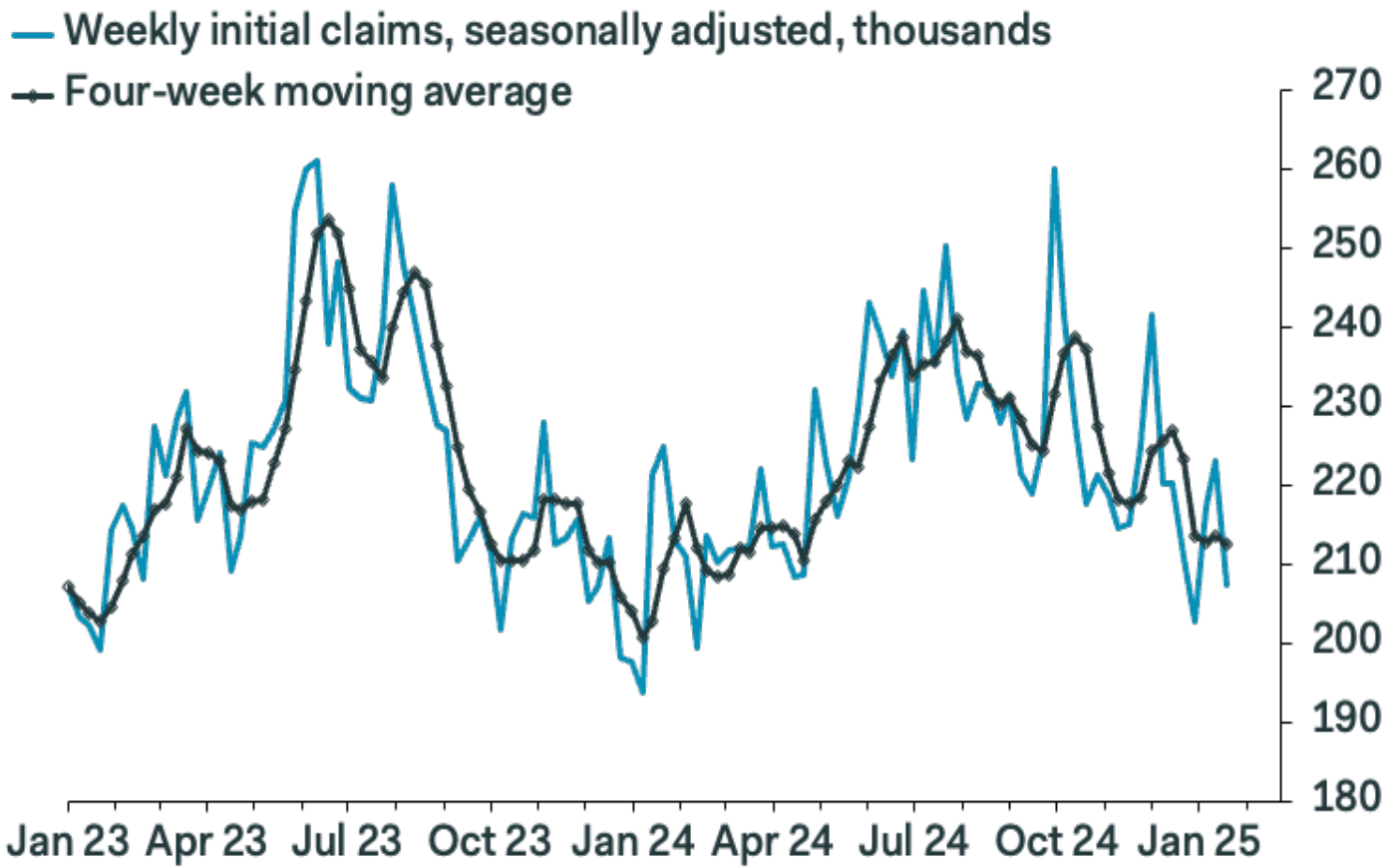
Looking ahead, WARN data for November and December point to the JOLTS measure of layoffs at firms employing more than 50 people topping its 2024 average by about 5% in early 2025. At the same time, appetite for hiring in the private sector remains depressed, due to still-high borrowing costs and elevated uncertainty about federal policies. The federal government hiring freeze also will lift the proportion of laid off staff

that fail to find a new position quickly and so end up claiming benefits.

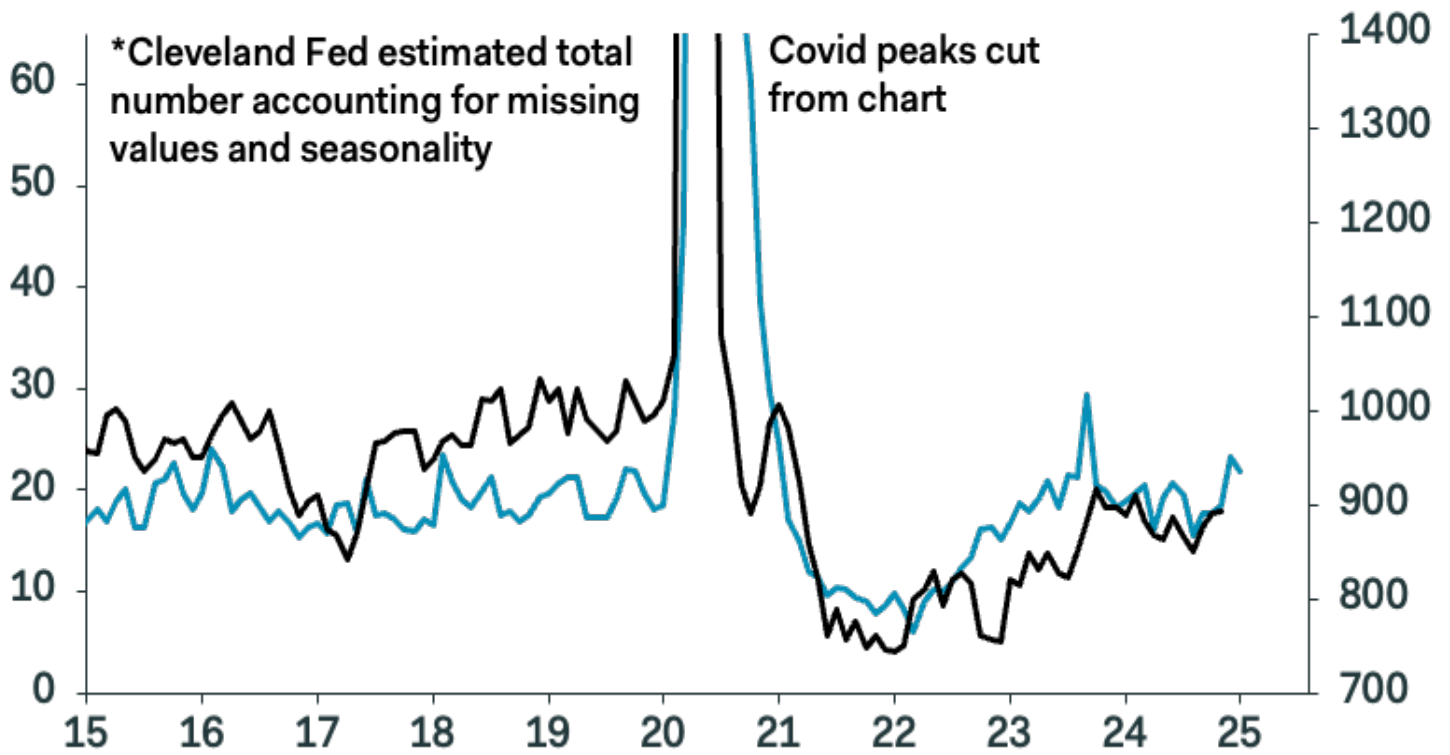
Accordingly, we continue to expect initial claims to rise to about 250K by the end of Q1.

Meanwhile, continuing claims in the week ending January 18—the reference week for the Current Population Survey—were 6K lower than in the week of the December survey. Nonetheless, revisions to the first estimate of continuing claims often are substantial, and the number

of people unemployed for more than 26 weeks likely has continued to rise. The job availability balance of the Conference Board's survey of consumers' confidence also points to a renewed rise in unemployment in January. Accordingly, whether the unemployment rate edged up to 4.1% in January or remained at 4.0% looks finely balanced.



- WARN layoff announcements, K, advanced one month (Left)
- JOLTS layoffs & discharges, firms employing more than 50 people, K (Right)



- Continuing claims, week of household survey, K (Left)
- Unemployed for fewer than 26 weeks, K (Right)

