

## **Datanote: Weekly Jobless Claims, Feb. 17**

### **In one line: Claims unlikely to remain so low**

-Initial weekly claims dropped to 201K from an upwardly-revised 213K, well below the consensus, 216K.

-Continuing claims fell to 1,862K from a downwardly-revised 1,889K, also comfortably below the consensus, 1,884K.

Favourable seasonals for last week meant that we were expecting a dip in initial jobless claims. But in the event, the fall in the unadjusted numbers was larger than we anticipated. The weekly data are volatile, but the four-week average also edged down, breaking the upward trend of the past month or so. The big picture remains that both initial and continuing claims are remarkably low given the stage in the economic cycle.

That will probably start to change soon. The seasonals for the next few weeks are less favourable and, more importantly, several of the key leading indicators for initial claims are now pointing higher, including Google searches for jobs cuts and the Challenger and WARN data on layoffs. Those numbers typically lead claims by around three months, although the lags vary. Given the softening in some other leading indicators—most notably the hiring intentions balance of the NFIB survey—we think that the labour

market will start to look materially weaker in the spring.



