PANTHEON
MACROECONOMICS

Datanote: US Jobless Claims, February 24

In one line: A further rise in claims lies ahead

- Initial weekly claims jumped to 215K, from an upwardly-revised 202K, above the consensus, 210K.

- Continuing claims rose to to 1,905K, from a downwardly-revised 1,860K, also above the consensus, 1,874K.
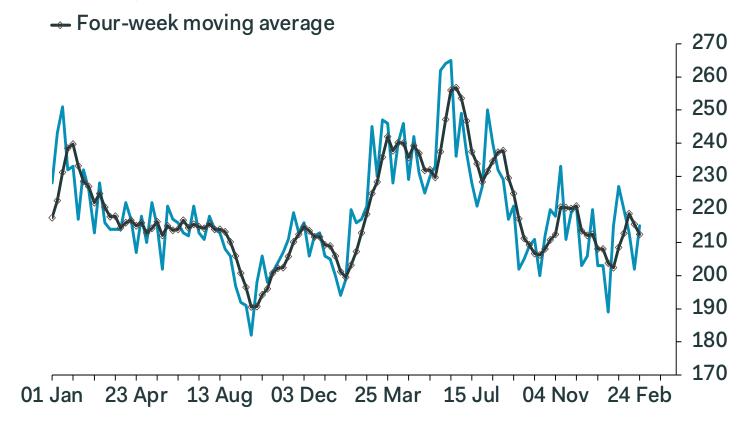
The increase in initial claims was

as we expected given more difficult seasonals, plus our assumption of a gradual rise in the underlying trend. Admittedly, a single week's increase tells us little because the numbers are wildly volatile. Note that the four-week average edged down marginally again. More generally, both initial and continuing claims are still very low by historical standards.

  We expect that to change soon. The WARN numbers, capturing advance notice of plant closures and

mass layoffs, have jumped recently and point to initial claims rising significantly over the next few months. That chimes with the message from the Challenger job cut announcement data and Google searches for job cuts, two other reasonably reliable leading indicators of claims. The lags between those leading indicators and claims are variable. But we suspect the labour market will start to look significantly weaker by around the middle of the spring.

Weekly initial claims, K
Four-week moving average

WARN notices, seasonally adjusted by Pantheon, K (Left)
Initial claims, K (Right)

WARN data advanced three months; latest six months' data estimated based on 12 large early-reporting states