

Datanote: US Weekly Jobless Claims, October 12

**In one line: Helene and strikes
obscure the underlying trend.**

- Initial jobless claims plunged to 241K, from 260K, well below the consensus, 259K.

- Continuing claims rose to 1,867K, from 1,858K, roughly in line with the consensus, 1,865K.

The plunge in headline initial

claims this week was bigger than expected, but the forecasts informing the consensus probably had little conviction behind them. The surge in claims in the week ending October 5, to their highest level in more than a year, seems to have almost entirely reflected disruption caused by Hurricane Helene, and strikes and furloughs at Boeing. Helene made landfall on September 26, but claims typically jump a week or two after a natural disaster and remain elevated for some time. As our first chart shows, claims

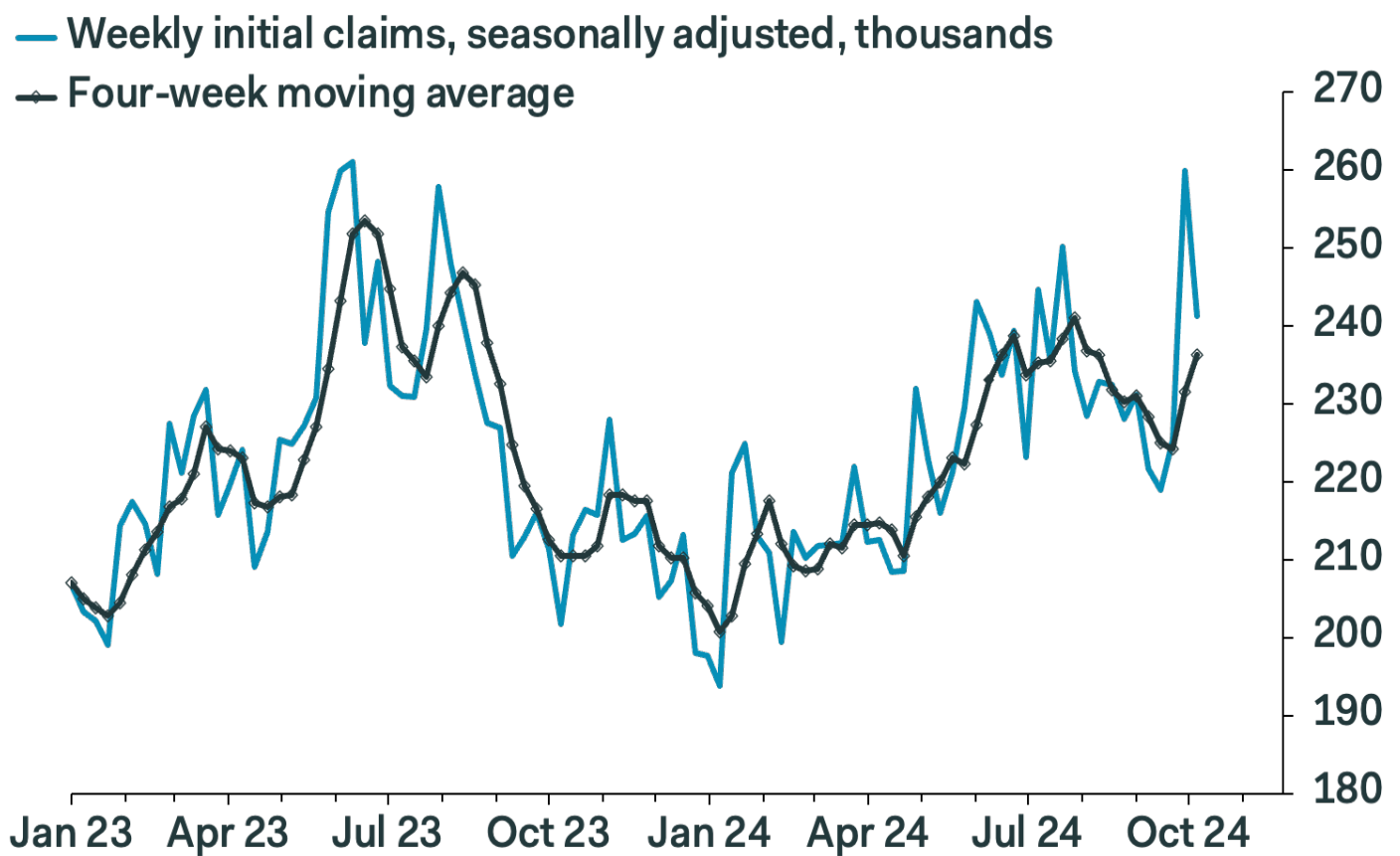
in states that saw very heavy rainfall due to Helene ticked lower this week, but remained much higher than a year ago. Striking workers at Boeing are ineligible for claims benefits, but the 12.5K workers the company has on a rolling furlough are eligible, so are any workers further down Boeing's supply chains on temporary layoffs. It is hard to know exactly where to look for workers claiming due to the strike, but claims outside of the Helene-affected states are also higher than in those same states a year ago, including in

many states where the aerospace industry is a major employer, such as Washington.

The peak impact on claims from a major hurricane tends to occur a week or two after it makes landfall, so claims in the Helene-affected states will likely drift lower here. Boeing's strike and its ripple effects are harder to judge, but prolonged shutdowns will probably mean more supplies elsewhere in the industry are forced to down tools, while the company has now announced

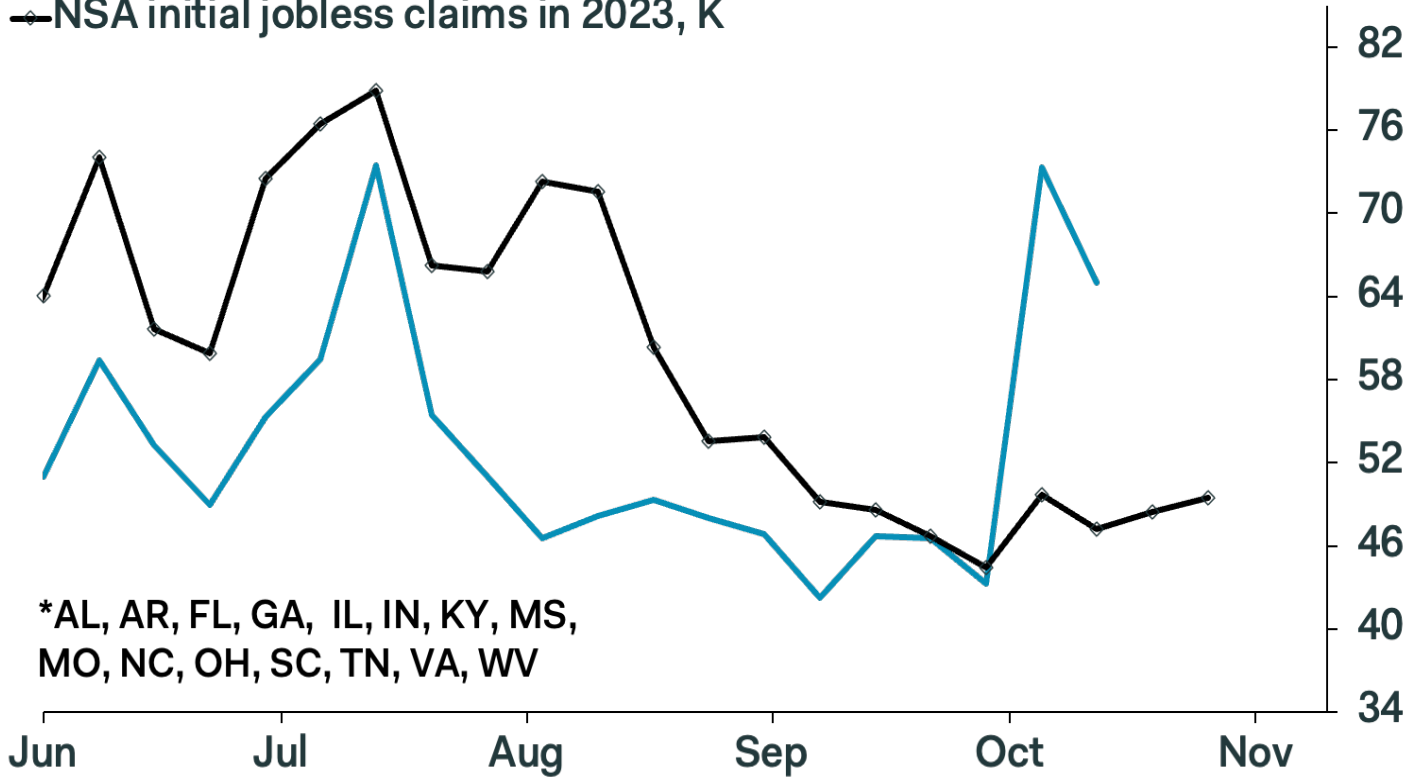
plans to lay off around 17K workers on a permanent basis in the coming weeks. Hurricane Milton, meanwhile, hit too late—on October 9—to have much of an impact on this week's data, for the week ending October 12, but will probably lead to a surge in claims in Florida over the next week or two. A renewed jump in claims above last week's peak of 260K is certainly in the cards, and it will be at least a month before the claims data give a truly clean read. The underlying trend, however, is probably fairly benign for

now. Most leading indicators of initial claims, such as the Challenger job cut announcements, have remained in check recently.



— NSA initial jobless claims in 15 states affected by Helene*, 2024K

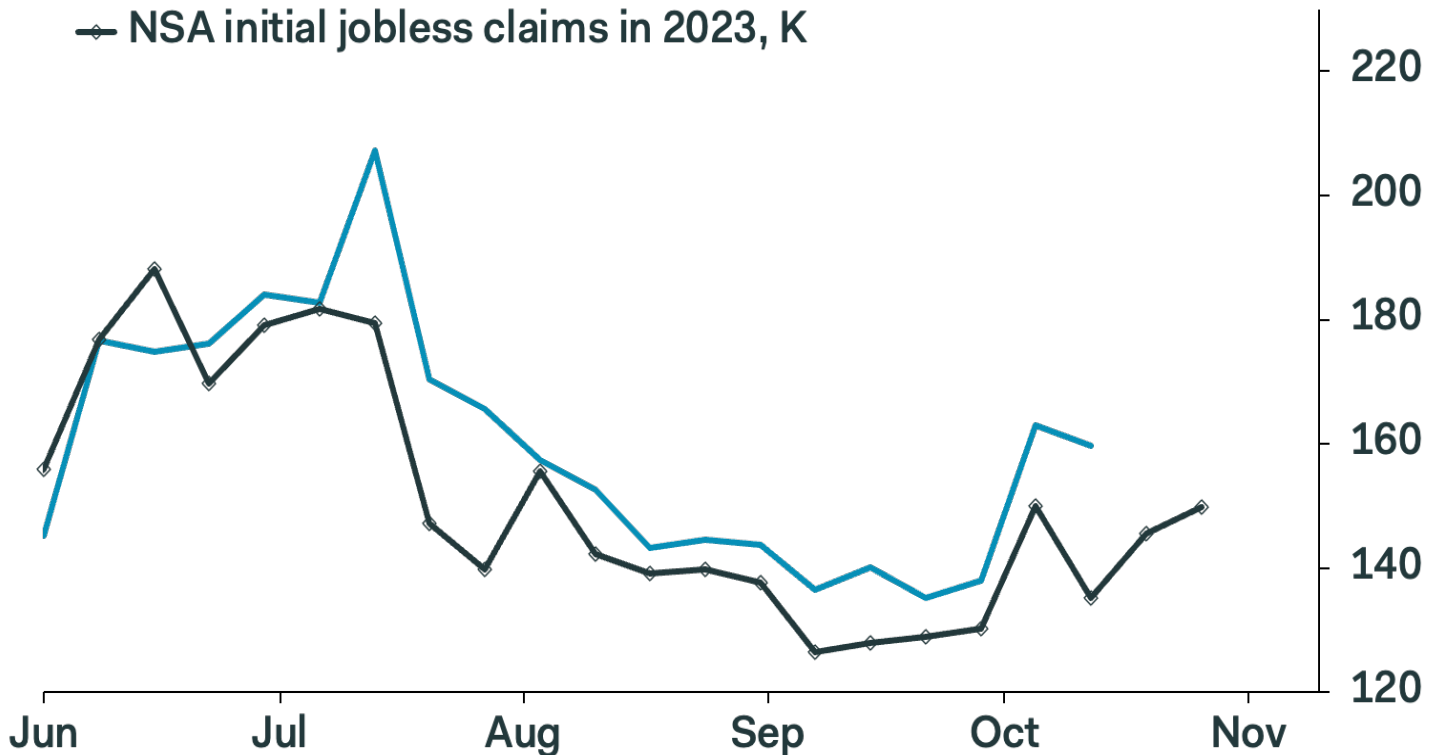
— NSA initial jobless claims in 2023, K



*AL, AR, FL, GA, IL, IN, KY, MS, MO, NC, OH, SC, TN, VA, WV

— NSA initial jobless claims elsewhere in US, 2024K

— NSA initial jobless claims in 2023, K



— Challenger layoff announcements, thou., 3m ave., SA by PM (Left)

—◆— Initial jobless claims, 3-month average, thousands (Right)

