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Initial Jobless Claims, week ending July 31, 2009



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Initial claims for unemployment insurance fell more than forecast in the week ending July 31, falling both before and after seasonal adjustment. Continuing claims for the previous week increased more than forecast after seasonal adjustment but declined on an unadjusted basis. The insured unemployment rate was unchanged. The report is consistent with our expectation that job losses should continue to moderate and that employment should stabilize by year-end.

- Initial jobless claims fell 38,000 to 550,000 for the week ending July 31, and the four-week moving average fell to 555,000. The mean forecast had been for a slight decline to 580,000, with individual forecasts ranging from 550,000 to 600,000. Claims for the week ending July 24 were revised up slightly from 584,000 to 588,000. Before seasonal adjustment, claims fell 44,000 to 463,000.
- State-by-state data (reported with a one-week lag) showed significant declines in initial claims in North Carolina, Michigan, Florida, Georgia, Alabama, New York and Pennsylvania; no states or territories showed significant increases. Most states with declines in the number of initial claims cited fewer layoffs in manufacturing, particularly auto-related industries, and in construction.
- Continuing claims rose 1.1% after seasonal adjustment to 6.31 million, above the mean forecast of 6.25 million. Before seasonal adjustment, continuing claims fell nearly 2% to 5.99 million. The insured unemployment rate was unchanged at 4.7% on a seasonally adjusted basis and fell 10 bp to 4.5% on a non-seasonally adjusted basis.

Source: U.S. Department of Labor

Today's report is broadly consistent with ongoing moderation in job losses. We continue to expect that job losses should come to an end by late this year, and that the unemployment rate should begin to decline, although gradually, in early 2010. ■

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