DECISION ECONOMICS, INC.
Information for Decisions™

New York: 212 884 9440
London: 011 44 20 7814 6706
Boston: 617 994 0500
Email: decisioneconomics@pdeeco.com

Pierre Ellis

June 2, 2011

Initial Claims

Initial claims fall a less-than-expected 6,000 (Consensus: -7,000; Decision Economics: -9,000) from a prior week level revised up by 4,000. No special factors were cited.

Implications for the payroll data tomorrow were limited but negative, with the two latest initial claims numbers outside the payroll month, but emphasizing that there was no sharp declining trend beginning at the end of payroll May, and with the important survey-week continuing claims count revised up by 22,000. The latter change reveals a greater net accumulation of benefit recipients over the course of the month--hinting that new hiring softened.

The next payroll month is starting off on a mildly less weak footing than May, but not by enough to encourage any upgrading of perceptions about the underlying trend--fears will grow that the economy is not just showing slower growth, but actually flattening.

Forecasts for tomorrow may fade a bit further, with essentially all available labor market indicators now showing softer than expected results.

© 2010 Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.