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Initial Claims

Initial claims fall a less than expected 1,000 (Consensus and Decision Economics: -9,000) from an unrevised prior-week level. While not disruptive to current thinking on the labor market, the new result does not encourage hopes for any quick firming.

The latest figure covered the first week of four weeks in payroll July, and started that month off at a rate equal to the weekly average in the five-week June month--pointing to stable layoffs, at the essentially neutral June level.

The relatively small week-to-week move in the claims total suggests that there is no reason to doubt the validity of the June-month performance, which saw claims readings vary only in a ten-point range--but with the final week number bouncing from the bottom to the top of the band.

The good news in the new result is that there is no suggestion that the upper-end survey-week result marked the start of a new upward tend. The disappointing news is that there was no sign that the underlying trend was declining either.

June payroll forecasts for next Friday should not change, with the month-to-month moves in both new claims and continuing claims unaltered.

Longer-term perspectives will not shift either, with hopes still alive that the hesitation in expanding company workforces is temporary, and subject to conclusion if immediate uncertainties are resolved.

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