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# Initial Claims: Steady improvement

Initial claims rise an in-line 21,000 (Consensus and Decision Economics: +18,000), to 377,000, from a prior-week level revised up by 4,000. The new figure covered the week just past the January payroll-survey period.

One effect of the jump in claims is to suggest that the 46,000 drop in claims last week was a seasonal-adjustment overshoot--probably offsetting some too-high values earlier in the holiday / turn-of-year period.

However, the good news is that the latest claims figure--probably closer to the "true" level, now that the holidays are well past--is still reasonably low compared to the 380,000 average in the January payroll month, and the 384,000 seen in payroll-December. Layoffs continue to trend downward slowly, but increasingly surely.

Indications on January employment are less dramatically favorable than they seemed last week, but in a way that makes the message of improvement in the month more credible.

The change comes in an 88,000 bounce in continuing claims, reversing much of a hard-to-believe 181,000 drop the following week--but not by so much as to erase the indication of a decent 62,000 decline over the course of the full payroll month. That approximation to the net impact of layoffs and new hiring is what is important.

January did not show--at least in these numbers--improvement as rapid as seen in December. Initial claims, meaning layoffs, slowed a little bit--averaging 380,000, as against 384,000--but, meanwhile, the decline in continuing claims (the number of people receiving unemployment checks) was less dramatic in January than in December, 62,000 versus 90,000.

The hint is that new hiring slowed a bit in January. But, the indication is very subtle--certainly so in comparison to the randomness in all these numbers. Odds are, underlying employment growth, ex the numerous special factors was roughly steady.

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