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August 16, 2012

Initial Claims: How Much Improvement?

Weekly initial claims rose an in line 2,000 (Consensus: +3,000; Decision Economics: -1,000) from a prior-week level revised up by 3,000. The new number covered the fourth of five weeks in payroll August, and, at 366,000, put the month-to-date average figure at 364,000--down 12,000 from the payroll-July average.

That month-to-month decline in layoffs is clear enough to allow payroll employment growth to firm up a bit--assuming that outright new hiring does not slow down by more than layoffs.

As it happens, however, outright new hiring seemed to be a bit on the strong side last month--the payroll gain was big in relation to the decline in layoffs--and there is some question whether enthusiasm to hire might have settled back a bit this month. Notably, the motion in continuing claims is adverse in August so far.

Payroll estimates keying off these numbers will probably stick close to the July result, for now.

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