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Initial Claims: Steady, Storm-Adjusted

Initial claims jump a more-than-expected 15,000 (Consensus and Decision Economics: +5,000) from a prior-week level revised up by 2,000. However, a significant part of the overshoot was attributable to the tropical storm of the week.

Labor Department analysts put the storm contribution at about +9,000 in unadjusted terms, and the difference between the actual unadjusted total and the "normal" figure that would have kept the seasonally adjusted level steady was about +11,803--so that, without the storm factor, seasonally adjusted claims would have risen slightly less than expected.

The absence of storm-related claims next week should depress the reported claims-figure change relative to the underlying number by an equivalent amount.

All of this means that a sense of the underlying flow of new layoffs--the magnitude that will play a role in determining the change in payroll employment--will be sought, as usual, in an average of the weekly claims figures.

The number today covered the third of four weeks in payroll September, and allowing for the tropical storm factor, it put the month-to-date average roughly where it was expected to be--indicating a marginal rise in layoffs from the August pace. That should keep payroll forecasts unaltered.

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